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Impact of the Mexican Revolution on foreign investment in Chihuahua and Coahuila, 1910--1920

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THE IMPACT OF THE MEXICAN REVOLUTION ON FOREIGN INVESTMENT IN CHIHUAHUA AND COAHUILA, 1910-1920

by

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The Mexican Revolution left a path of death and destruction in its wake as it ravaged through the country. Caught up in the main stream of the turmoil, along with the poor wretched Mexicans, were hundreds of foreigners, symbolic of the policies initiated by the regime of Porfirio Díaz. Many aliens suffered immeasurably at the hands of rebels, Federales and peasants during the entire course of the Revolution, 1910-1920. The purpose of this study is to examine some of these depredations. Chihuahua and Coahuila were singled out for the study because it was in Northern Mexico, and chiefly in these two states, that the intensity of revolutionary activity and foreign investment was best revealed.

A number of works were consulted to put the component parts of the Revolution, as they affected the degree to which foreigners were chastized, in their proper perspective. Material based exclusively on the depredations, their character and incidence, came chiefly from three main sources. The first of these were consular reports sent from American consuls in Mexico to the American State Department entitled, Records of the Department of State Relating to Internal Affairs of Mexico, 1910-1920. The second source was the Fall Committee Report, Investigation of Mexican Affairs, which details some of the incidents based on the testimony of those involved. The third source used extensively to capture certain incidents was the New York Times from 1910 through 1920.

The Revolution had a tremendous impact on foreign investment in Chihuahua and Coahuila. Hundreds of foreign lives were lost and foreign financial losses were staggering. Seen as an obstacle in the Mexicans' quest for the social, political and economic reforms that had been denied to them by the Díaz regime, the foreigner became a very expendable item.

ACKNOWLEDGMENT

I gratefully acknowledge the patience, help and understanding offered to me by three people during the writing of this paper. First, I would like to thank my wife-typist, Virginia, for giving me the courage and self-confidence to undertake such a task. I would also like to give thanks to Dr. Robert Peterson for his help in pointing out the proper methods of research and for working so closely with me on the section of the paper relating to the cities and towns. Finally, special thanks go to my advisor, Dr. Manuel Machado, for relinquishing so much of his time on my behalf, for only under his guidance and encouragement could this paper have ever been completed. The errors and omissions in this study are, of course, my own and it is hoped the paper will lend as much interest to the reader as it did to the author.

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PREFACE

In the late 1800's and into the first part of the 1900's Mexico, with her abundant resources of oil and precious metals, was indeed a prize sought out by many foreign businessmen. The gringos from North of the border and other foreign entrepreneurs quickly capitalized on the concessions offered to them by Mexico's dictator, Porfirio Díaz. Oil men, miners, ranchers and a host of other businessmen and workers moved into Mexico to lay claim to a huge portion of Mexico's wealth, wealth that Mexico would never completely recover.

Díaz and the Científicos, his hand-picked intellectual government workers, labored furiously in an attempt to attract foreign investors to Mexico. Supposedly, foreign investments would eliminate the problem of Mexico's sagging economy and thus, were courted at every opportunity. To some degree, Mexico progressed during the Díaz regime, but the benefits of this progress never filtered down to the masses who sank farther into the quagmire of poverty.

American investors rode with the tide of prosperity as Díaz doled out land, oil, mine and railroad concessions to them. Their taxes, if any, amounted to

almost nothing and almost without fail, the American received preferential treatment over the Mexicans. Laws were passed to protect them and Mexicans caught harassing the Americans faced incarceration or, at times, death. For years the Mexican masses took a back seat to foreigners, but because of the complete control exhibited by Díaz over the people, they had to endure the situation.[1]

At the onset of the twentieth century the tight reign of Díaz began to lose its grip on the Mexican masses as opposition to Díaz began to come from diverse segments of the population. In 1905, the Flores Magón brothers, Jesús and Ricardo, initiated a movement among radical Mexican workers to completely destroy the Porfirian state and its economic system. The movement never amounted to much more than an irritant to Díaz, but the seeds for Revolution had been sown.[2]

When the aging Díaz, approaching senility, decided to run for re-election in the election of 1910 instead of stepping down as he had promised, revolution sprang from all quarters. Again, the economic system as well as Díaz became the target of the revolutionaries.

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[1]Ronald Atkin, Revolution! Mexico 1910-20, (New York: The John Day Company, 1969), p. 22.

[2]Howard F. Cline, The United States and Mexico, rev. ed., enl., originally published by Harvard University Press (New York: Atheneum, 1971), pp. 116-117.

The disgruntled poor of Mexico, for years coiled to strike out at Díaz, became easy prey for Mexican caudillos seeking to swell their ranks with new recruits for the struggle against the tyranny of the Porfiriato.

Mexico exploded with revolution as the all out effort to destroy the Díaz regime intensified. Everything and everyone connected with Porfirio Díaz was swept up in the swift current of revolution. Years of deprivation had honed the revolutionary's blade into an instrument of vicious destruction as the rebels marched through Mexico.

Foreigners, too, symbolic of the Díaz practice of neglecting the Mexican masses while giving others innumerable benefits, suffered immensely at the hands of the rebels. During the initial revolt against Díaz and then throughout the power struggle among the victors that followed, the peaceful haven that foreigners had known during the Porfiriato turned into a fiery hell. The purpose of this paper is to explain why this occurred and also to examine some of the hardships that befell foreigners during the Mexican Revolution.

The states of Chihuahua and Coahuila were singled out for this study because it was in these two states that revolutionary activity and personages abounded. Just as Christianity was born in Bethlehem and spread from

there to encompass the whole world, the initial revolutionary discontent seeds were nurtured in the northern Mexican states, mostly in Chihuahua and Coahuila, and from that focal point, emerged to eventually engulf all of Mexico. Throughout the Revolution, both states suffered almost constant warfare and destruction from contending factions.

Many of the men synonymous with the Revolution were sons, either natural born or adopted, of Chihuahua or Coahuila. The long list includes four extremely important figures involved in the struggle, Pancho Villa, Venustiano Carranza, Pascual Orozco and Abraham González. All four contributed something to the long list of grievances exhibited by the foreign investors living in Chihuahua and Coahuila. Villa and Carranza, especially, found the number of investors there to their liking as they took sweet vengeance on Americans and foreigners whom they disliked. Another important factor and one very critical to this study revolves around the fact that these foreign investments outnumbered those in the other northern states of Sonora, Durango, Tamaulipas, or Nuevo León.

For the study, a plethora of information was available relating generally to the political aspects of the Mexican Revolution. The two major sources used were

Revolution! Mexico 1910-20 by Ronald Atkin and Howard Cline's The United States and Mexico. Atkin's study is superb in style and content. Tracing the major happenings of the Revolution and also discussing some important concepts that emerged from the struggle, the book is invaluable to the researcher who seeks out a good understanding of the Mexican Revolution. Cline's work sometimes bogs down in detail, but one can not help but derive much knowledge from the study, all of which was very helpful. Other works that supplied some information on the Revolution in general were Lesley B. Simpson's Many Mexicos and Mexico the Struggle For Modernity by Charles C. Cumberland. Simpson, like Atkin, provided important concepts as well as facts.

A number of works furnished information about specific aspects of the struggle. Four books were especially helpful in the study of United States - Mexico relations. The first of these, The Mexican Revolution, 1910-1914: The Diplomacy of Anglo-American Conflict by Peter Calvert points out clearly the problems created when the United States attempted to intervene in Mexican affairs during the turmoil. Clarence C. Clendenen in Blood on the Border The United States Army and The Mexican Irregulars describes the intense Mexican hatred of Americans that increased when the American Army

entered Mexico in pursuit of the bandit Pancho Villa. Robert E. Quirk's book, An Affair of Honor: Woodrow Wilson and the Occupation of Veracruz discusses how the American naval occupation of Veracruz was instrumental in toppling the Huerta government from power. Like Clendenen's study, Quirk also focuses on the increased animosity shown toward Americans because of the occupation. Kenneth J. Grieb in The United States and Huerta examines in detail the controversy between Victoriano Huerta and American leaders. Reading Grieb, one is better able to understand why Huerta and Woodrow Wilson became so embittered toward each other. This mutual hatred had definite repercussions on Americans living in Mexico.

During the Revolution, the relationship between England and Mexico was often as strained as that between the United States and Mexico. The Ph. D. Thesis of Raymond Carl Gerhardt, entitled "England and The Mexican Revolution 1910-1920", superbly examined this topic. Gerhardt based his study on the numerous notes sent back and forth between the English Consuls in Mexico and the home government in England.

Individual celebrities of the Revolution were aptly described by Charles Cumberland, Stanley R. Ross, Martín Luís Guzmán, Diego Rosado López and Michael C. Meyer. Cumberland in Mexican Revolution Genesis Under Madero and Ross in Francisco I. Madero Apostle of Mexican

Democracy expertly traced in detail the events that brought Madero to the Presidency, the actions by others to replace him, and the inadequacies of the man to be President in the first place. Rosado López work, Historia y Pensamiento Económico De México: Comunicaciones y Transportes Relaciones De Trabajo presents the Mexican's attitude toward Díaz and his practice of neglecting his own people and rewarding the foreigner. The malice held by Mexicans toward Díaz is very evident in Rosado López' study. Martín Luis Guzmán deals with the infamous patriot and bandit, Pancho Villa. Guzmán's work, Memoirs of Pancho Villa gives the reader an insight into the life of Villa and some justification for Villa's actions before, during, and after the Revolution. The last of the five authors to deal with individuals, Michael C. Meyer, contributed two substantial works. In the first of these, Mexican Rebel Pascual Orozco and the Mexican Revolution 1910-1915, Meyer delves into the transition made by Orozco from muleteer to revolutionary. Orozco's role in the Revolution, especially his relationships with Francisco Madero and Pancho Villa, is thoroughly covered. Meyer's second biography, Huerta A Political Portrait, focuses mainly on the period of Huerta's presidency, February, 1913, to July, 1914. Meyer contends that Huerta was not the counter-revolutionary portrayed by so many other writers, but was instead dedicated simply

to the moderation of the new energies promulgated by the violent upheaval which began in 1910. It is a refreshing look at a man, so often chastized by everyone.

The best accounts used to localize the Revolution to just Chihuahua were Francisco R. Almada's La Revolucion En El Estado de Chihuahua Tomo II and Florence C. and Robert H. Lister's Chihuahua Storehouse of Arms. Both works depicted, in great detail, many different stages of the Revolution throughout the state as it progressed from initial sporatic rebellions to full scale turmoil.

The pre-Revolutionary status of some Mexican industries, especially those owned by foreigners, and the Revolution's impact upon those industries is best described in Rails, Mines, and Progress: Seven American Promoters in Mexico, 1867-1911 written by David M. Pletcher and in Marvin D. Bernstein's The Mexican Mining Industry 1890-1950 A Study of the Interaction of Politics, Economics, and Technology. Pletcher concentrates his efforts on the reasons why the promoters went to Mexico and the type of enterprises they initiated there. Bernstein's study describes the Mexican mining industry completely and pays special attention to the different types of taxes imposed upon the mine owners by the Mexican Government. The Constitution of 1917 and its effect on foreigners is also very carefully analyzed by Bernstein.

Whereas a large variety of sources could be readily utilized when dealing strictly with the political aspects of the Revolution, quite the opposite was true with the availability of sources relating to the Revolution's impact on foreign investors. Since the study was limited just to the states of Chihuahua and Coahuila, the lack of available sources was very pronounced. Most American works consulted handled the topic on a national scale, if handled at all, and the Mexican studies, with very few exceptions, shyed away from the topic almost completely. Some help was found in Raymond Gerhardt's dissertation and in Bernstein's book about the Mexican mining industry, but Tulitas Jamieson offered much more aid in her book, Tulitas of Torreón: Reminiscences of Life in Mexico. The work vividly details some of the vicious atrocities committed against foreigners, mostly the Chinese, by various rebels and Federales in Torreón during the course of the Revolution.

The futile search for quality material based on a regional approach to the Revolution caused much heartache. The author was not able to be as discriminating as desired about some material because of the shortage of available sources. There is a tremendous need to investigate the Revolution through a regional approach. Far too often, historians have attacked the struggle from a "big picture of Mexico" angle. A much better

understanding of the total picture could be obtained by analyzing the revolutionary movements on a regional or better yet, a local basis. All regions of Mexico were not equally affected by the Revolution. Some saw virtually no violence while others, like Northern Mexico, were caked in blood. The presence in the North of most of the powerful personalities of the Revolution should, in itself, demand a thorough study of this region. To group all regions of Mexico together in one synonymous category is absurd whether one talks about the pre-Revolution period, post-Revolution period or the Revolution itself. To know the whole of Mexico, one must study its diverse parts. Lesley Byrd Simpson captures my sentiments best by speaking of the "Many Mexicos" to be found south of the border. Hopefully, other researchers will bend their efforts in this direction as did William H. Beezley in Insurgent Governor. Beezley's study centers around Abraham González, Governor of Chihuahua, and the fact that numerous events in Chihuahua epitomized the Revolution. Beezley contends that the failure of Madero to formulate a national program capable of securing revolutionary goals forced the necessary political action to come at the state level. Chief among the leaders of this action was Abraham González in Chihuahua.

The lack of material relating directly to the topic forced the writer to extensively utilize three

major sources. The first of these, The New York Times, offered extensive accounts of Revolutionary events especially when it involved danger to life or limb of foreigners. Also, any time American property was threatened, the paper quickly picked up the story.

Another fine source that deals almost exclusively with the problems faced by foreigners during the Revolution is the Fall Committee Report that came out of the Senate Committee on Foreign Relations entitled Investigation of Mexican Affairs. This two volume report consists mostly of testimonies offered by the people, or their friends or relatives, who were victimized in Mexico during the Revolution. Many interesting and informative statistics also are found in the report which was compiled at Senate hearings held in various United States cities.

The third major source, and easily the most often used, was the microform reproduction entitled Records of the Department of State Relating to Internal Affairs of Mexico, 1910-1929. In the microfilm, the course of many of the events that occurred during this period is traced by messages sent back and forth by consuls and American businessmen in Mexico to the American State Department. The American Consuls in Mexico quite often had their finger on the pulse of the Revolution and were quick to send any information, especially when it concerned Americans, on to Washington.

CHAPTER I

INTRODUCTION

The Mexican Revolution of 1910 caused immeasurable damage to Mexico. The turmoil constantly subjected her people to vicious cruelties and hardships and her countryside became devastated almost beyond repair. But, the Mexican people did not suffer alone, because foreigners, mostly American, Spanish and Chinese, also suffered from atrocities committed against them by Mexican rebels, bandits, Federales and peasants. To understand why foreigners received such harsh treatment during the Revolution it is necessary to know why Mexicans of all classes cultivated a deep hatred for them even before the Revolution began. It is also of extreme importance to become familiar with the events of the Revolution because they significantly affected the degree to which foreigners became chastised at the hands of the Mexican people.

To the student of Mexican history, the granting of concessions to foreigners enabling them to exploit the riches of Mexico is synonymous with the dictatorship of Porfirio Díaz (1876-1911) because during his regime the científicos, Díaz' intellectual administrators, fashioned

the economic policies of Mexico that granted a large role to foreign capital. To finance the future of Mexico, these advisors, convinced that the country lacked enough liquid capital to implement their economic programs, turned to other countries to obtain the needed money. They hoped that this foreign capital would mix with available local resources and eventually create, by the multiplier principle, an ever increasing storehouse of funds. These funds then would eventually be large enough to force out the foreign investments.[1]

The Díaz administration labored strenuously to attract foreign capital. The offer of excellent returns on their capital outlay, cheap land, rich oil deposits, innumerable mines, and cheap labor enticed many foreigners to invest in Mexico and once the newcomer entered the country, he was treated with the hospitality due to any invited guest.

The mining industry especially appealed to foreign investors because the government changed the Mexican mining laws to conform to the concepts and practices to which foreigners were accustomed.[2] Mexican laborers could be hired for as little as one to three pesos per

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[1]Cline, The United States and Mexico, p. 54.

[2]Atkin, Revolution! Mexico 1910-20, p. 22.

day and the Diaz administration guaranteed that this labor would remain docile by making strikes illegal. The three pesos per day wage earned by the Mexican laborer appeared extremely cheap compared to the five dollars per day that foreign mine owners paid their fellow nationals.[3]

Construction of railroads during the Porfiriato also depended to a large degree on foreign money. Foreign concerns flocked to Mexico, taking advantage of the concessions and other favors granted to them by the Diaz administration. Utilizing European capital as well as that from the United States, Canada, and Mexico, the railroad system grew from less than 700 miles of track in 1880 to more than 12,000 miles by 1910. Although a series of consolidations brought approximately 60 per cent of the lines under government ownership, many of the railroads still remained under foreign ownership.[4]

With the discovery of oil along the Gulf coast at the end of the Nineteenth centruy a third sector of Mexico's national economy became a much sought-after

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[3]Marvin D. Bernstein, The Mexican Mining Industry 1890-1950 A Study of the Interaction of Politics, Economics, and Techology (New York: State University of New York, 1964), pp. 84-91; Atkin, Revolution!, p. 156. After the first two years of the Revolution the peso had stabilized to a parity of forty-nine and a half American cents.

[4]Charles C. Cumberland, Mexico the Struggle For Modernity (London, Oxford, New York: Oxford University Press, 1968), pp. 214-217.

prize for foreign investors. Two men in particular, Edward L. Doheny, an American, and Weetman Pearson, an Englishman, realized tremendous profits from the concessions granted to them by the Díaz regime.[5]

Foreigners involved in mining, railroads and oil were joined by other aliens interested in ranching and business opportunities. Throughout Mexico, foreign ranchers and farmers took advantage of the cheap prices to purchase large tracts of land while foreign businessmen opened up concerns of all types in the cities. Mexico became a haven for foreigners as the Díaz regime constantly favored them in legal disputes with Mexicans. The government completely neglected Mexicans in all walks of life while lavishing the foreigners with first class treatment. Depiction of this inequality can be found in the illustration that many foreign companies, besides paying much higher wages to their own national employees, provided them with lodging that had lights, water and ice, but did not have to furnish the same items to Mexican workers.[6]

With the aid of foreign capital the long dicta-

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[5]Atkin, Revolution!, p. 19.

[6]Atkin, Revolution!, p. 22; Diego G. López Rosado, Historia y Pensamiento Económico De México Comunicaciones Transportes Relaciones De Trabajo (Universidad Nacional Autonomía de México, 1969), p. 357.

torial rule of Porfirio Díaz brought many surface improvements to Mexico, but in spite of this, the methods he used to bring about progress bred embryonic discontent among Mexicans.[7] Utilizing the slogan of pan o palo Díaz rewarded those who supported him and punished those who did not. Literally speaking, pan o palo meant "Bread or stick" and the opposition often received the stick in a brutal manner. By controlling the caciques or local leaders, and sometimes rewarding them with a governorship, Díaz secured control of all levels of government from the national on down to the local arena.[8]

With the insured support of Díaz, foreigners began to export much of Mexico's wealth for their own profit. The riches of Mexico flowed in a continuous stream out of the country because many foreigners initially did not pay any taxes. While many aliens capitalized on the wealth of Mexico, only a very limited few Mexicans realized any monetary profits. Foreigners sent capital to Mexico and this only strengthened the rule of a dictator who absolutely failed to spread the benefits

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[7]Raymond Carl Gerhardt, "England and the Mexican Revolution 1910-1920", Ph. D. Dissertation (Texas Tech. University, 1970), pp. 33-34.

[8]Charles C. Cumberland, Mexican Revolution Genesis Under Madero (New York: Greenwood Press, 1952), p. 7; Fuentes para la historia de la revolución Mexicana, Vol. 2 (Fondo De Cultura Económica, 1955), p. 22.

derived from this capital evenly among his people. Díaz had done much to develop his country, but because he had completely neglected the bulk of his people, his rule would no longer be endured. To one American mine owner in Mexico, Díaz appeared to be the greatest man in North America because he had made property "twenty times safer in Mexico than it is in the United States". But, to the miserable peon who had lost his land and his livelihood to foreign intruders because of Díaz' policies, the dictator of Mexico symbolized something evil which should be exterminated.[9]

Early signs of popular discontent with Díaz' administration surfaced as early as 1900 when an anarchist group led by two brothers, Ricardo and Jesús Flores Magón, published a newspaper, Regeneración, in Mexico City. The radical group organized a chain of clubs and began to criticize the Church and conservative groups, but before long, they began to attack Porfirio Díaz himself.[10] In late 1903 the brothers fled to the United States to organize an attempt to overthrow the dictatorship. Constantly on the move because of persecution by

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[9]Atkin, Revolution!, p. 22; David M. Pletcher, Rails, Mines and Progress: Seven American Promoters in Mexico, 1867-1911 (Ithica, New York: Cornell University Press, 1958), p. 309 and p. 216.

[10]Pletcher, Rails, Mines and Progress, pp. 236-237.

agents of the Mexican government, they organized the Junta of the Mexican Liberal Party in St. Louis during September of 1905. The platform of the Liberal party, published in July, 1906, called for political, economic and social reforms and above all, the removal of Díaz. Circulating propaganda throughout Mexico, the party became popular among industrial workers, helped to organize the workers, and also provided leadership for strikes. Their activities revolved around the preparation for armed rebellion against Díaz.[11]

In 1906 laborers, urged on by the Partido Liberal Mexicano (Mexican Liberal Party), began demanding better wages and better working conditions. A series of strikes resulted when employers refused their demands. In Cananea, Sonora, a strike involving 2,000 disgruntled miners took place on June 1. Violence erupted when the office personnel, most of whom were Americans, fired upon the strikers. No one suffered injury, but the strikers, embittered by the shooting, embarked on a rampage of riot and destruction. The imposition of martial control finally ended the disturbance, but not until after twenty men had died. The strikers, although forced to go back to work under the same conditions as before the strike,

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[11]Stanley R. Ross, Francisco I. Madero Apostle of Mexican Democracy (New York: Columbia University Press, 1955), pp. 41-42.

still had influenced other laborers to strike in the ensuing months.[12]

On January 7, 1907, workers at the Rio Blanco sugar mill in Veracruz rioted after they refused to accept a judgement handed down by Díaz in his role as arbiter between the workers and their employers. The judgement supported the employers' position on almost every demand made by the workers. Díaz sent in Federal troops to quell the riot and they broke the strike by killing many of the men in the streets and by later executing 200 more. This brutal act ended the strikes, but discontent still existed in the labor class. Convinced that Díaz was completely under the influence of the industrialists, labor reluctantly had to wait for reforms.[13]

Díaz had failed the laborers and he also neglected the Indian masses. Forced in many cases to pay excessive taxes on his land, the Indian also fell victim to the graft involved in the Díaz administration. Corrupt government officials often sold Indian village lands to companies or to a single individual even though the government had scheduled the land to be parceled out to individuals. The poor Indian, often left without the

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[12]Cumberland, Genesis Under Madero, pp. 16-18.

[13]Cumberland, Genesis Under Madero, pp. 18-21.

means to support himself and his family, frequently had to work for a wealthy land owner who often treated him as harshly as a slave. Bound to the haciendas by debt peonage, the Indian had no recourse to justice because his pleas fell on deaf ears in the Díaz administration. The Indian and the industrial laborer, understandably, harbored violenty anti-Díaz sentiments.[14] Seeds of discontent definitely sown by Díaz' policies soon would germinate into rebellion.

Although Díaz put down small insurrectos throughout the country, political unrest grew markedly between 1907 and 1909. In 1908, Díaz granted an interview to James Creelman, an American writer from Pearson's Magazine. In the interview Díaz announced that he would not run for office again in the election of 1910. He also stated that Mexico was definitely on the road to progress and that the time had arrived for him to welcome the formation of opposition parties. The story broke in Pearson's in February, and by March 3, 1908, El Imparcial, the daily newspaper, published a translation in Mexico. To those repressed by the Díaz regime for so long, this news offered a glitter of hope. Mexico teemed with enthusiasm and political activity as the growing opposi-

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[14]Cumberland, Genesis Under Madero, pp. 21-24.

tion sought out a leader to replace Díaz. However, on May 30, Díaz performed an about face and announced that Mexico needed him and he would therefore be a candidate again. But, Díaz had waited too long to suppress the increasing opposition. Anti-reelection clubs formed everywhere and agitation for a change in government grew extremely fast. As the anti-reelection movement spread, most of the participants threw their support behind the growing presidential candidacy of Francisco I. Madero. Madero had come to the foreground of Mexican politics in 1908 when he wrote a book entitled The Presidential Succession in 1910. The book exposed some of the evils of the Díaz system and the enemies of Díaz utilized the work as a manifesto to express their own ideals. Firmly convinced that the cure to Mexico's political ills lay in freedom of elections, Madero's political slogan became "Effective Suffrage And No Reelection."[15]

As more and more people read the book, the name of Madero became known. In June, 1909, Madero embarked on a speaking tour of Mexico and received tremendous response. Initially, Díaz paid scant attention to the Maderista movement, but as Madero's popularity increased,

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[15]Atkin, Revolution!, pp. 42-43; Florence C. and Robert H. Lister, Chihuahua Storehouse of Arms (The University of New Mexico Press, 1966), p. 210; and Ross, Madero, pp. 44-45.

Díaz took steps to suppress him. Finally in June, 1910, Díaz incarcerated Madero until the election of June 26 had safely passed. On July 20, Díaz released Madero on bail in the town of San Luís Potosí and on October 6, the rebel fled to Texas, convinced now that the only way to remove Díaz was by force.

Up until this time Madero found the thought of armed rebellion abhorrent, but the circumstances forced him to initiate his own insurrection and in November he issued his political manifesto from San Antonio, but he backdated it to October 5, 1910, to avoid the possibility of the United States being blamed for harbouring and encouraging a rebellion. In the manifesto, called The Plan of San Luís Potosí, Madero told the Mexican people that he knew they were anxious for liberty and determined to reestablish a constitutional regime. He reiterated how Díaz had violated their individual rights and caused them unbearable suffering from hunger while he labored only to enrich his supporters and foreign investors. Also, the plan voided the recent Mexican elections and named Madero as provisional president. Madero promised that when his forces triumphed there would be a free presidential election and a revision of all the laws and decrees adopted during the Porfiriato. Copies of the plan circulated throughout the country and November 20, 1910, emerged as the starting date for the upcoming

revolution.[16]

Revolutionary rumblings permeated the political scene in Mexico after the distribution of Madero's plan. In Chihuahua, initial preparations for November 20 matured under the guidance of members of the anti-reelection clubs as they scoured the country side recruiting all the anti-Díaz elements. Two of the recruits they found would later play significant roles in the Revolution. They were Pascual Orozco, Jr., and Francisco "Pancho" Villa.

Pascual Orozco, influenced by the anti-government literature of the Flores Magón brothers as early as 1906, had completely dedicated himself to the anti-reelectionist cause by 1910. Pancho Villa, like Orozco, came into the rebel camp because of the recruiting efforts of Abraham González, one of the leading anti-reelectionists in Chihuahua.[17] Villa joined the anti-reelectionist movement not just because the Díaz regime had branded him an outlaw but also because of his love for Francisco Madero. Madero's unshakable faith in The Plan of San Luis Potosí

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[16] Atkin, Revolution!, pp. 46-49; Fuentes para la historia de la revolución Mexicana, Vol. 4 (Fondo De Cultura Económica, 1957), p. 141; and Atkin, Revolution!, p. 49.

[17] Lister and Lister, Chihuahua, p. 211; Michael C. Meyer, Mexican Rebel Pascual Orozco and the Mexican Revolution 1910-1915 (Lincoln: University of Nebraska Press, 1967), p. 17; and Atkin, Revolution!, p. 52.

and his devotion to the struggle of Mexico's poor and oppressed, even though he lived a life of luxury, completely won over Villa's affection. Villa enthusiastically accepted the rank of captain and rode into the mountains in search of more men while González commissioned Orozco as Commander of the Guerrero District.[18]

Maderistas eagerly awaited the starting date of the Revolution. However, the uprising seemed destined not to wait until November 20 to begin when, on November 5, an angry mob demonstrated in front of the American consulate in Chihuahua City. The mob sought revenge for a fellow Mexican, burned at the stake in Texas for killing an American woman. They hurled bottles and insults at the consulate and even though the Federales quickly dispersed the crowd, anti-American feelings persisted.[19]

Anti-American hostility became increasingly prevalent throughout the Republic toward the end of 1910. The United States Ambassador to Mexico, Henry Lane Wilson, attributed this phenomenon to the memories that still

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[18]Martín Luis Guzmán, Memoirs of Pancho Villa, translated by Virginia Taylor (Austin: University of Texas Press, 1965), p. 21; William H. Beezley, Insurgent Governor Abraham González and the Mexican Revolution in Chihuahua (Lincoln: University of Nebraska Press, 1973), pp. 36-37.

[19]Lister and Lister, Chihuahua, p. 212.

existed from the War of 1846, race antipathy, but mostly to the resentment of American commercial aggression. Through the collusion of officials and the courts and by presenting fraudulent or outlawed titles, corrupt officials began to confiscate American estates. Throughout Mexico, Americans saw their personal rights constantly abused, often without due process of law.[20]

The Revolution began in earnest almost a week ahead of schedule when villagers in the town of Cuchillo Parado battled with Díaz' rurales. Three days later Pancho Villa and his band struck at San Andrés, killed the mayordomo of the Hacienda de Chavarría, and moved into the house and the outbuildings. Pascual Orozco and his followers marched on the Federal headquarters at Guerrero on the twentieth and other localities throughout the state also came under fire by rebels. Initial Maderista victories inspired the rebels, but the Díaz forces regrouped and quickly dealt the insurrectos a series of defeats. It appeared as if the Revolution would fail. Madero, himself, abandoned his entry into Mexico and returned to San Antonio. However, the Maderistas in

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[20]Henry Lane Wilson to Philander C. Knox, 31 October 1910, Records of the Department of State Relating to Internal Affairs of Mexico, 1910-1929 (State Department Files of the National Archives, Record Group 59, M-274, 812.00/355). Unless otherwise indicated all correspondence of the Department of State will be from the 812.00 files and will be identified only by the slash number.

Chihuahua would not allow the spark of revolution to die. Led chiefly by Orozco, the rebels fought on, with moderate success, into the early months of 1911. Madero finally entered Mexico in February to direct the campaign and the movement gained more momentum. By April, the flame of rebellion roared in Mexico as diverse rebel groups, other than the Maderistas, all lashed out at Díaz. On May 10, the Maderistas captured the important city of Ciudad Juárez. This victory signaled the end of the Díaz regime as Mexicans everywhere, sensing the end was near, joined the rebel cause.[21]

At first, Díaz refused to accept the inevitable, but on May 25, 1911, he wrote out his resignation. An agreement reached between José Ives Limantour, Díaz' Minister of Finance, and agents representing Madero called for the installation of a provisional government. The terms of the agreement named Francisco León de la Barra, Mexican Ambassador to the United States, to act as interim President until Madero could be legally elected in October of 1911.[22]

The interim presidency of de la Barra faced imme-

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[21]Lister and Lister, Chihuahua, p. 213; Ross, Madero, pp. 126-127; and pp. 131-166.

[22]Lesley Byrd Simpson, Many Mexicos, rev. ed. (Berkeley, Los Angeles, London: University of California Press, 1971), pp. 296-297.

diate problems as diverse elements throughout Mexico made demands that the platform and policies of Madero could not meet. The Mexican people wanted their share of the Revolution and they wanted it immediately. Emiliano Zapata, the leader of the agrarian forces in the state of Morelos who fought so hard against Díaz, adamantly demanded immediate land reforms. The demands placed de la Barra in a helpless position as his administration did not have the means to please everyone at once. Madero found himself in a precarious position because the people made demands on his platform, but he had not yet been elected.[23]

By the time Madero assumed the presidency on November 6, 1911, his prestige and popularity had diminished. Continuous turmoil throughout the Republic and a divided party added still more woe to Madero's plight. Madero could not handle the situation. Since he chose to rule with sweetness and brotherly love instead of a firm hand, self-seeking politicians permeated his administration and Mexico again became victimized by an administration as corrupt as that of Díaz, but without

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[23]Peter Calvert, The Mexican Revolution, 1910-1914 The Diplomacy of Anglo-American Conflict (Cambridge: at The University Press, 1968), pp. 86-89; Berta Ulloa, "Las Relaciones México - norteamericanas 1910-1911", Historia Mexicana, July - September 1965, Vol. XV, no. 1, p. 26.

the stability of the Porfiriato. By mid 1912, Orozco, Zapata, and other caudillos revolted and the weak Madero could not stop them.[24]

Mexico exploded again with strife as general strikes of mine, peon, ranch, and farm laborers forced many concerns, foreign and Mexican, to close down. The perilous conditions prompted the United States State Department to authorize Henry Lane Wilson to hand out arms to Americans in Mexico for their own protection.[25]

For fifteen months Madero struggled as President, failing to bring peace to Mexico. On February 18, 1913, a coup led by General Victoriano Huerta removed Madero and shot him to death four days later. Of striking importance to this coup is the fact that Henry Lane Wilson worked with Huerta and General Felix Díaz in drawing up an agreement naming Huerta as provisional president. The agreement allowed Díaz, who also had revolted against Madero, to campaign for the presidency later. Wilson also added to anti-American sentiment when he refused to intervene to save Madero's life.[26]

The brutal killing of Madero by Huerta almost

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[24]Simpson, Many Mexicos, pp. 298-299.

[25]Luther T. Ellsworth to Philander C. Knox, 15 December 1911, /2638; Ellsworth to Knox, 1 April 1912, /3511.

[26]Atkin, Revolution!, pp. 118-122.

immediately fermented new revolts by Madero sympathizers. Venustiano Carranza, Governor of Coahuila, rebelled and began fighting on March 1. Carranza, posing as the defender of Madero in order to rally supporters in the United States and Mexico, officially announced his revolutionary position in the Plan of Guadalupe on March 26. The plan disavowed Huerta as President of the Republic and conferred upon Carranza the title of First Chief of the Constitutionalist Army with the power to make war on the Huertista regime. Carranza quickly received support from Alvaro Obregón of Sonora, a veteran soldier in the fight against Pascual Orozco's revolt. The movement picked up added strength at the end of March when Pancho Villa initiated a formidable anti-Huerta campaign and when Emiliano Zapata cast his lot with the anti-Huerta elements. With the addition of Zapata the rebels marched on the capital from two sides, the North and the South.[27]

Besides the growing strength of the opposition in Mexico, Huerta faced the hostility of the American government. President Woodrow Wilson, extremely distressed by the killing of Madero, refused to recognize as legitimate the Huerta regime. The failure of Huerta to gain

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[27]Kenneth J. Grieb, The United States and Huerta (Lincoln: University of Nebraska Press, 1969), pp. 34-35; Francisco R. Almada, La Revolución En El Estado de Chihuahua Tomo II (Chihuahua, 1964), p. 30; and Meyer, Mexican Rebel, pp. 96-101.

this recognition brought many hardships to his administration because Wilson permitted United States arms to be shipped to the Carranza forces and constantly sought some excuse to intervene in Mexico to depose Huerta. Wilson became obsessed with the idea of deposing Huerta, whom he pictured as the symbol of everything wrong with Latin America. Huerta's plan to pacify the country and then to request United States recognition, based on this accomplishment, fell on deaf ears in Washington.[28]

As 1913 drew to a close the Constitutionalists looked invincible, but in 1914, Huerta suspended payments on national bonds and used this money to enlarge his army and to purchase more arms and ammunition. Military successes now came to the Federal forces and the anti-Huerta movement suffered a number of set-backs. To add further woes to their plight, a dispute arose between Villa and Carranza which racked the Constitutionalist forces with dissension.

As 1914 progressed, neither side appeared to hold a distinct edge in the struggle. Then a key victory by Villa at the important rail center of Torreón gave the Constitutionalists the advantage. Villa's victory opened the way directly to the capital, but even more important

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[28]Ross, Madero, pp. 336-337; Michael C. Meyer, Huerta A Political Portrait (Lincoln: University of Nebraska Press, 1972), pp. 111-112.

it indirectly provided the opportunity for Woodrow Wilson to intervene.[29]

After Villa took Torreón, the center of fighting shifted to the strategic oil producing areas around Tampico. Many American nationals, protected by the United States navy vessels at Veracruz and Tampico, lived in the area. When Huerta arrested some American sailors loading gasoline at Tampico, a major incident developed. The Federales released the sailors with apologies by the Mexican commandant, but Admiral Henry T. Mayo, in charge of the naval forces in the area wanted a twenty-one gun salute as an apology because he felt that the United States flag had been insulted. Huerta would not comply with this demand and Wilson, informed of the impending arrival of a shipload of German arms sent to Huerta at Veracruz, ordered Admiral Frank F. Fletcher to occupy that port in retaliation to Huerta's refusal to uphold the honor of the United States. The taking of Veracruz cut off the supplies and revenues needed to sustain the Huerta regime and less than three months later, on July 17, 1914, the defeated Huerta sailed into exile.[30]

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[29] Cline, U.S. and Mexico, pp. 154-155.

[30] Robert E. Quirk, An Affair of Honor Woodrow Wilson and the Occupation of Veracruz (University of Kentucky Press, 1962), pp. 5-8; Simpson, Many Mexicos, p. 303; and Atkin, Revolution!, p. 208.

After Huerta's defeat, a struggle raged between Villa and Carranza for control of Mexico. Mexico City wallowed in a state of confusion because it had to endure so many changes of government. Villa would occupy the capital for awhile then be dispersed by the Carranza forces, who in turn would retreat on Villa's return. The bitter struggle continued until April, 1915, when Obregón, who remained loyal to Carranza, soundly defeated Villa at Celaya in one of the bloodiest battles of the civil war.[31]

Woodrow Wilson took extreme measures after the battle of Celaya. Waiting to see who would emerge as the victor before recognizing any of the participants, he literally destroyed Villa when he cut off his supply of arms and backed Carranza. Villa retaliated by attacking Americans in Mexico and by leading raids against Americans in the United States. In March, 1916, Villa raided Columbus, New Mexico and Wilson sent General John J. Pershing into Mexico to catch him. Reduced to the status of a bandit, Villa made life miserable for foreigners in Mexico.[32]

By 1916, the Carranza government began to show signs of stability, but because he refused to take advice

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[31]Simpson, Many Mexicos, pp. 304-305.

[32]Simpson, Many Mexicos, p. 305.

from his staff, many of his best men deserted him. In December, they forced him to call a constitutional convention at Querétaro and out of this convention emerged the present constitution of Mexico, the Constitution of 1917. The new constitution, characterized by nationalistic motifs and embodied with the needed legal machinery, endeavored to end foreign economic rule in Mexico. It was also designed to alleviate the social and economic inequities of the people, a revolutionary goal.[33]

The convention dealt a severe blow to Carranza. Emerging almost powerless after the proceedings terminated, he barely managed to complete his lackluster and reactionary term of office. However, he still endeavered to remain in power by imposing his own successor on the people. This attempt caused Obregón to revolt in April, 1920 and on May 21, 1920, rebels murdered Carranza in flight from the capital. Adolfo de la Huerta, who also revolted against Carranza, became provisional president and Mexico legally elected Obregón as President of the Republic in September, 1920. With the election of Alvaro Obregón the Revolution came to a close. Under Obregón's leadership, Mexico embarked on the road to peace, pros-

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[33]Simpson, Many Mexicos, p. 306; E. V. Niemeyer, Jr., Revolution at Querétaro The Mexican Constitutional Convention of 1916-1917 (Austin: University of Texas Press, 1974), pp. 233-234.

perity and the attainment of the goals that emerged from the Revolution.[34]

Perhaps, now, armed with a working knowledge of the Mexican Revolution it will be easier for the reader to comprehend the reasons behind the brutal treatment received by foreign investors in Chihuahua and Coahuila during the struggle. The remainder of this study will survey the diverse sectors of the Mexican economy in which foreign investors in the two states were deeply involved to take a closer look at the problems they encountered. Chapter II deals with foreigners involved in ranching while Chapter III revolves around those who invested in the railroad and the mining industries. Chapter IV is concerned with foreigners engaged in city businesses and Chapter V relates to some of the problems that all foreigners shared alike concerning Mexican law and taxation.

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[34]Simpson, Many Mexicos, pp. 308-309.

CHAPTER II

RANCHING AND FARMING

The lure of cheap and abundant lands and labor drew many foreign ranchers and farmers to Mexico. During the peace of the Porfiriato, foreigners realized huge profits as livestock and crops brought excellent prices. But, with the beginning of the Revolution in 1910, farmers and ranchers found themselves constantly victimized by revolutionaries, federales and bandits. These elements, seeking either to aggrandize themselves or to provide materials for the revolution, took whatever they needed, at the expense of the foreigner.

The lands and personal property of foreigners became a special target to the Mexican. As late as 1910, only six per cent of the heads of families owned any land at all and the desire for land, especially that owned by foreigners, ranked high among the grievances that initiated the revolution against Porfirio Díaz. Bandits and rebels committed numerous depredations against foreign landowners and the mistreated Indians, robbed of their land during the Díaz regime, were especially vindictive as they revelled in the sufferings of their

former masters.[1]

With the initial outburst of the Madero Revolution in 1910, foreigners saw trouble come from all quarters. The states of Chihuahua and Coahuila teemed with rebel activity, instigated to obtain material for the use of rebel forces in the revolt. John R. Blocker, the American owner of the Piedra Blanca Ranch in Coahuila, early fell victim to the rebel onslaught. General Caraveo, an Orozquista from Chihuahua, and his band paid a visit to Blocker and made their presence well known. The Mexicans took over one hundred horses and ten work mules and then killed forty hogs and all of the chickens, milch cows and calves on Blocker's ranch. The rebels stayed for four days, killed all the beef and took all the provisions that they needed to eat. When they left, they robbed the commissary of $3,000 worth of provisions and left nothing to eat for the women and children on the ranch. Caraveo made his raid into Coahuila even more profitable when he moved on to the ranch of G. O. Delamain, an Englishman, and confiscated all of Delamain's arms, saddles, bridles and provisions. To help outfit the soldaderas, the women who accompanied the rebel forces, Caraveo also seized all of Mrs. Delamain's

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[1]Pletcher, Rails, Mines and Progress, p. 18; Gerhardt, England and The Mexican Revolution, p. 141.

clothes. In spite of the fact that Francisco Madero had cautioned his followers not to molest the lives and property of foreigners, the ranchers and farmers still had to contribute heavily, often without compensation, to the rebel cause.[2]

As the Revolution intensified, anarchy prevailed in the rural areas of Chihuahua and Coahuila. The insurrectos took advantage of the fact that Federal forces did not dare to leave the railroads unprotected to chase after them and rampaged unchecked through foreign property. To add woe to the foreigners plight, bandits, not connected with the rebels or the Federales, emerged on the scene.[3]

By early 1911, farms and ranches in the North found themselves completely at the mercy of bandits and rebels. Near Parral, Chihuahua, bandits besieged a dairy farm owned by the Whatley family. The family had started their farm in 1900 with 200 Jersey cows, but little by little, the property found its way into rebel and bandit hands. By mid 1911, it had almost completely disappeared. One night the intruders, told by a farm employee that the

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[2]U.S., Congress, Senate, Committee on Foreign Relations, Investigation of Mexican Affairs, Fall Committee Report (Washington Government Printing Office, 1920), S. Doc. 285, 66th Cong., 2d sess., 1:1177-1180; 1:1135-1136. Hereafter referred to as Fall Committee Report; New York Times, 22 November 1910 (New York, New York: Recordak Corporation).

[3]New York Times, 10 March 1911.

family had $5,000, entered the house and demanded the money. The family pleaded that they did not have the money so the bandits took one of the daughters outside and threatened to cut off her fingers and her toes if they did not get the money at once. Continuous pleading eventually convinced the bandits that the family did not have $5,000 in the house so they took what money the Whatleys had and left. A short while later the Federal authorities apprehended the same bandits, but the desperados served only one month in prison for their crime. During the Porfiriato, the bandits would have been shot![4]

What help the Federales did give the foreigners faded as the Revolution progressed and revolutionary successes began to mount. After the stunning rebel victory at Casas Grandes on March 6, 1911, a wave of violence spread throughout the North as rebels became more secure. Depredations intensified, especially against the big ranching concerns, when it became necessary to commandeer more supplies to sustain the growing revolutionary forces. The Palomas Land and Cattle Company, an American ranch in Chihuahua, fell prey to numerous groups demanding horses, cattle, saddles, provisions and money. Passing rebels often shot cattle just for the sake of killing

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[4] Fall Committee Report, 1:1084-1085.

the ranch's beef and then left the carcasses to rot. Rebels exacerbated the company's problems when they purloined their hay and cut their fences.[5]

Pascual Orozco expertly relieved many foreigners of their property. When Orozco's men confiscated all of the cattle from a ranch adjoining the Babicora ranch in Chihuahua, J. C. Hayes, manager of the ranch, took his life in his hands when he foolishly protested vehemently to Orozco. Hayes maintained that the cattle belonged to him and presented documents proving his claim of ownership. This proved to be his undoing, however, because Orozco not only kept the cattle, but he incarcerated Hayes, contending that he carried illegal documents. Fortunately for Hayes, Orozco released him a short while later.[6]

By the end of March, as rebel advances increased, protection provided by the Díaz regime for foreigners virtually disappeared. A mob of workers attacked six Americans at the Corrales Ranch near Jiménez, Chihuahua and the Federal government, unable to help, authorized all Americans in the country to take up arms for their own protection. Sensing victory, rebels increased their

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[5]Fall Committee Report, 1:1103; Testimony of H. S. Stephenson, Vice President of the Palomas Land Company, 25 March 1911 /1152.

[6]New York Times, 18 March 1911.

confiscation of horses and supplies from foreign and Mexican ranches to prepare for the final onslaught. With their backs to the wall, Federal forces initiated their own horse stealing campaign in an effort to stop the insurrectos.[7] However, Federal action came too late and the resignation of Díaz in late May finalized the Madero victory.

With Díaz gone, foreign ranchers and farmers throughout Chihuahua and Coahuila eagerly anticipated some semblance of peace. However, this failed to materialize when anti-Madero uprisings began even before his installation in November, 1911. Ranchers and farmers near Torreón, Coahuila encountered heavy bandit activity in October. For three weeks a large band of 150 bandits embarked on a looting spree and committed numerous depredations on the ranches and farms in the area. Patrick O'Hea, Manager of the British owned Cruces Ranch, and his men successfully repulsed the first bandit attack, but the employees threatened to desert him if he did not get more assistance. O'Hea managed to enlist aid from the Madero authorities in Torreón and thus saved the ranch from further attacks.[8]

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[7]H. L. Wilson to Knox, 24 March 1911 /1053; Thomas W. Voetter to Knox, 10 April 1911 /1360; and Voetter to Knox, 13 April 1911 /1394.

[8]Ellsworth to Knox, 9 November 1911 /2488.

The brief respite enjoyed by the Cruces Ranch slowly turned into a lull before the storm of new rebellion. When in March 1912 a disgruntled Pascual Orozco, angry at not being named Madero's Minister of War, joined the anti-Madero forces, Northern Mexico again teemed with revolution.[9] The Orozco defection came after the open revolt of Emilio Vázquez Gómez and the followers of both men brought more grief to foreigners. To help finance their uprising, the Orozquistas and Vasquistas, joined by anti-Madero Magonistas and disgruntled peons, raided and robbed the ranches throughout Chihuahua and Coahuila. Magonistas detained an American rancher, Arthur B. Hines and relieved him of his money, valuables, saddle, arms and ammunition. Hines continued on his way to a ranch in Coahuila, arrived there on the fifteenth of March and on the eighteenth of March the Magonistas robbed the ranch.[10]

The anti-Madero forces resorted to extreme means to sustain their efforts. The San Gregorio Ranch in Coahuila lost all their horses, saddles, rifles and ammunition to the rebels, but even more important, the

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[9]Clarence C. Clendenen, Blood on the Border The United States Army and The Mexican Irregulars (London: The Macmillan Company, 1969), pp. 132-133.

[10]Ellsworth to Knox, 11 February 1912 /2808; 23 March 1912 /3398.

rebels impressed all twenty of their employees into the rebel army. Throughout April, the Federales could not cope with the power of the Orozco rebels, but early in May, the tide began to turn as Maderistas, sparked by the leadership of Pancho Villa and Victoriano Huerta, successfully fought back. Throughout the latter half of 1912 the dwindling Orozco rebellion resorted only to small guerrilla raids and spiteful reprisals against foreigners.[11]

Throughout the uprising and into 1913, foreigners feared for their lives and withdrew from embattled areas. John R. Blocker, who had earlier suffered at the hands of anti-Díaz rebels, was one of many forced to abandon their Mexican holdings. Blocker left behind 100 fine saddle horses valued at $5,000 and 1500 cattle, all of which the Orozqustas commandeered. No foreigner remained safe from the fury of Orozco as Pablo Hoffman, a German farmer in Chihuahua, discovered. Forty Orozquistas swooped down on his plantation, took his money and completely cleaned out his house of everything portable. The marauders culminated this act of terrorism by dynamiting Hoffman's house. Fortunately, Hoffman saved himself only by outracing the rebels to the river and then swimming to the

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[11]Ellsworth to Knox, 3 April 1912 /3527; Paige W. Christiansen, "Pascual Orozco: Chihuahua Rebel Episodes in the Mexican Revolution, 1910-1915," New Mexico Historical Review, April 1961, Vol. XXXVI, no. 2, pp. 113-115.

other side.[12]

Although Orozco himself had fled Mexico in July, many of his followers fought on. As 1912 drew to a close, Orozquistas resorted to kidnaping foreigners for ransom. Arthur McCormick, manager of the Palomas Ranch in Chihuahua was held until the rebels received $5,000 and the abduction of John T. Cameron, another ranch owner in Chihuahua, brought in another $2,500.[13]

The efforts of the Orozquistas and those of other anti-Madero forces, placed a severe strain on the Madero administration. His regime, never on a firm foundation since its inception, faltered badly during the uprisings and foreigners, able to survive only by paying "blood money" to the rebels, hoped for the restoration of protection after Huerta successfully executed his coup against Madero in February, 1913. Unfortunately, their hopes received a severe setback when an anti-Huerta movement arose almost immediately and swept through Chihuahua and Coahuila with a fury far exceeding that of the Orozco rebellion.[14]

Foreigners again found themselves at the mercy of

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[12]Ellsworth to Knox, 26 September 1912 /5128; 28 September 1912 /5142; and New York Times, 9 February 1913.

[13]Ellsworth to Knox, 17 October 1912 /5301.

[14]New York Times, 15 April 1913.

rebels, led by Venustiano Carranza, Pancho Villa, Alvaro Obregón, and Pablo González. Bandits also took advantage of the situation and roamed the countryside, terrorizing foreign ranchers and farmers. One bandit, Maclovio Herrera, led a band of 400 on a devastating rampage through Chihuahua. Herrera, violently anti-American, destroyed foreign property with a vengeance. Coahuila, too, became so infested with bandit activity that many of the foreigners who "toughed out" the Orozco rebellion reluctantly had to abandon their property.[15]

Constitutionalists (as the rebels were called) spared no one in their drive to finance the new revolt and foreigners contributed their share to the cause in a variety of ways. James D. Sheahan, an American who owned a large hacienda at Jiménez, Chihuahua, lost 151 saddle horses and a number of Percheron stallions, of no military value, to the rebels. Sheahan found one horse worth $4,000 ridden to death about five miles from his hacienda. Rebels in Coahuila kidnapped Frank Williams, a Texas cattleman and held him for $1,000 ransom. Williams could only produce $125, but the revolutionaries accepted it and then freed him because no contribution was too small. The rebels even asked a young American farmer in Coahuila,

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[15]John R. Silliman to William Jennings Bryan, 26 April 1913 /7403.

L. Childress, to donate if he wanted to. Childress, smart enough to see the folly of not contributing, donated his last twenty pesos. In return, the rebel leader gave him a letter which recommended him to the consideration of any other rebel leader that came along. Needless to say, the letter meant nothing to other revolutionaries in need of money.[16]

British ranchers also contributed heavily. W. B. Cloete had to pay $4,680 to the Carrancistas before they would allow his cattle to leave the country. Charged five dollars per head for each of his 936 cattle, Cloete paid the fee to prevent the rebels from confiscating all of his cattle.[17]

The Palomas Land and Cattle Company had more than its share of trouble with the reactionaries. Earlier their manager had been kidnapped by the Orozquistas and now, during the Constitutionalist revolt, the rebels kidnapped their bookkeeper and forced the company to pay a large ransom to have him returned. However, the ransom paid seemed extremely small compared to the thousands of dollars that they had to pay the Constitutionalists for the privilege of branding their own cattle. By May, 1913,

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[16]Fall Committee Report, 2:2400; Silliman to Bryan, 10 May 1913 /7668.

[17]Ellsworth to Bryan, 8 May 1913 /7472.

the company had had enough and complained to Secretary of State, William Jennings Bryan. Unfortunately for the company, the United States was not in a position at that time to intervene on their behalf. To add insult to injury, the rebel leader Maximo Castillo again kidnapped A. W. McCormick, the ranch manager, in September. This time his release cost the company $10,000.[18]

Unhampered by Federal forces in Chihuahua and Coahuila, the revolutionaries filched the beef of foreign and Mexican ranches, slaughtered it, and sold it cheaply to American butchers in Eagle Pass, Texas. By killing the beef first, the rebels could circumvent inspection by United States inspectors who condemned live stock that entered the area as a precaution against diseased cattle entering the United States.[19]

Cattle ranchers wilted under Constitutionalist demands, but farmers in the two states received maltreatment as well. Foreign cotton producers felt the sting of Pancho Villa in October when he ordered the entire cotton crop near Torreón, Coahuila to be harvested for sale in the United States. Villa volunteered to handle the transporting of the cotton, but the cotton growers had to pay eight cents per kilo of cotton as a war con-

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[18] New York Times, 11 May 1913; 3 September 1913.

[19] Ellsworth to Bryan, 9 August 1913, 611.125/8.

tribution, which resulted in a severe loss of revenue to the producers.[20]

Constitutionalists relentlessly badgered foreign ranchers and farmers throughout 1913 and the first half of 1914. Máximo Castillo in January, 1914, ordered all Americans to stay out of Chihuahua or they would be shot on sight. Castillo's anger was triggered by the refusal of large American ranch owners in Western Chihuahua to pay tribute to both Villa and Castillo.[21]

During the first part of the year, the Constitutionalists, though racked by dissension between Villa and Carranza, had Huerta "on the run". Supported by United States arms, it appeared as if the Constitutionalists would soon be completely victorious. However, an incident occurred in February, 1914, which almost ended the Constitutionalist dream. Inflicting depredations at will upon foreigners throughout their struggle, the rebels went one step too far when one such depredation, committed against an English subject, caused an international furor.

The incident involved a man named William S. Benton, a Scotsman who owned a 150,000 acre ranch west

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[20] New York Times, 22 October 1913; Silliman to Bryan, 29 December 1913 /10757.

[21] New York Times, 27 January 1914.

of Chihuahua City. Benton, angry because of the destruction inflicted upon his property, went to see Pancho Villa to voice his complaints, but never returned.[22]

The stories are extremely varied as to just what happened to Benton. One episode maintained that when Benton went to Juárez to see Villa, the two exchanged hot words, a revolver was drawn, but no shots fired because a woman stepped in between the two men. Villa then arrested Benton and later tried and convicted the Scotsman on a charge of conspiracy against the rebel government and with provoking and insulting General Villa. He was, according to this account, executed that same night in front of a grave that he dug for himself. One of Villa's aides, Rodolfo Fierro, shot him through the head.[23]

Another version of the killing maintained that Fierro did not shoot Benton. According to this account, Fierro did force Benton to dig his own grave but, instead of using a bullet, Fierro decided to kill him with a blow to the head. Fierro then buried Benton, still handcuffed. Both of these accounts are refuted by a third version, which holds that Benton never Left Villa's office alive. According to this report, he died after

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[22] New York Times, 19 February 1914.

[23] New York Times, 20 February 1914; 21 February 1914; and Fall Committee Report, 1:1785.

being shot by several of Villa's aides who thought that he reached for a gun when he attempted to take out his handkerchief.[24]

A final version of the killing stated that Benton's body had been stabbed and not shot. Villa's men then mutilated his body in a manner suggestive of savages when they slashed it so many times in the breast and face that even his best friends would hardly be able to identify his remains. This story also said that Benton only went to see Villa in the first place to offer him rifles in exchange for the right to ship cattle across the border.[25]

By whatever means and circumstance caused Benton's death, the case caused an uproar from Mexico to London and posed a problem for President Woodrow Wilson. Since the United States would not allow any other power to intervene in Mexico or Latin America, a basic tenet of the Monroe Doctrine, she took responsibility for the conduct of other nations and for the protection of all foreigners in this hemisphere. Because of this and also because Wilson actively supported the Constitutionalists, many considered him responsible for Benton's death. France

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[24]Atkin, Revolution!, p. 170; Lister and Lister, Chihuahua, p. 235.

[25]New York Times, 19 March 1914.

immediately blamed Wilson for the death and England quickly followed suit. English subjects throughout Mexico vociferously demanded an immediate investigation by the English Consul in Chihuahua. They also insisted that England intervene at once to protect their lives, since Wilson could not help them. The United States averted a major crisis only after William Jennings Bryan's promise to investigate the death proved acceptable to England. Bryan then formed a commission in the United States to view Benton's body in order to determine the exact cause of death.[26]

To state their position on the Benton case, the Constitutionalists had made public the records of Benton's trial which asserted that Benton wanted to return to his property, but Villa would not allow that because Benton sympathized with the Federales. Benton then drew a pistol from his hip pocket and threatened Villa's life. For these crimes, Villa's court quickly found Benton guilty and sentenced him to be shot.[27]

The American commission still wanted to view the body, but the rebels would not turn it over to them because they said that Benton was naturalized in Mexico

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[26]Atkin, Revolution!, p. 171; Gerhardt, England and the Mexican Revolution 1910-1920, pp. 324-332; New York Times, 25 February 1914; and 1 March 1916.

[27]New York Times, 22 February 1914.

and was, therefore, a Mexican citizen, an allegation denied by Benton's widow. George Carothers, American Consul at Torreón, felt that the Mexicans delayed the commission as much as possible while they exhumed Benton's body so they could stand it upright while they fired a volley of shots into the corpse to make it look as if he had been executed by a firing squad. Villa's chief medical officer knew that this action would not fool the commission so he began to prepare the body to be viewed by the Americans.[28]

At this point, Carranza, in spite of his quarrels with Villa over military policies, intervened into the case and halted the commission's trip to view the body. Carranza demanded that the commission work through him, and not Villa, if they wanted to exhume the body. A few days later Carranza ordered his own Benton inquiry, ending any chance that the commission might view the body. After Carranza entered the case, the affair ended, just as quickly as it began.[29]

The affair afforded a close call for the Constitutionalists because if England had been able to convince Wilson that the Constitutionalists should have been

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[28] New York Times, 24 February 1914; Fall Committee Report, 1:1785.

[29] New York Times, 2 March 1914; 4 March 1914; and Atkin, Revolution!, p. 173.

punished for the Benton affair, arms support may have been discontinued. The United States may also have intervened against the Constitutionalists. Had United States support been withdrawn and had intervention taken place, the course of the revolution would have been drastically altered.

While the Constitutionalists treaded somewhat more lightly for awhile in their relations with foreigners after the Benton affair, bandits still remained active. In Western Chihuahua a bandit group connected with the Federales and led by Rodrigo Quevedo demanded a ransom, to be paid within twenty-four hours, from three American ranches. The bandits threatened to destroy the ranches' windmills, water tanks and ranch houses if their demands went unheeded. The ranches paid the $6,000 to prevent thousands of their cattle from dying of thirst.[30]

When the United States intervened in Veracruz during April, 1914, Huerta lost needed revenue to continue his struggle. Constitutionalist victories increased rapidly and by mid July, 1914, the struggle ended. However, the final split between Villa and Carranza, which actually occurred one month before Huerta resigned, kept Mexico in a state of turmoil as each vied for control of the Revolution. Again, foreign ranchers contributed their

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[30]New York Times, 7 May 1914.

share to sustain the struggle of the contending factions. Throughout the remainder of 1914 and into the new year, foreign owned ranches and farms lost livestock, crops, and money to Carrancistas and Villistas. During March, 1915, Carrancistas under Maclovio Herrera looted numerous ranches around San Carlos, Coahuila, and either killed or carried away all of their livestock. Herrera did not enjoy the fruits of his labor, however, because the Villistas overtook him and relieved him of the livestock and his wagons.[31]

Villistas, under Colonel Joaquín Terrazas, placed more pressure on the Americans in the Muzquiz, Coahuila, area when they demanded that each American-owned hacienda deliver twenty head of cattle to the military authorities or have their property confiscated. George Carothers, the consular agent at Torreón attached to the Villistas, complained to Villa about Terrazas endeavors and Villa, still eager to maintain United States support, rescinded the order. As a parting gesture, however, the violently anti-American Terrazas seized all of the horses and mules from the ranch of Herman Brendel, an American citizen.[32]

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[31] W. P. Blocker to Bryan, 20 March 1915 /14648; 22 March 1915 /14662.

[32] Robert Lansing to Carothers, 1 September 1915 /15958; Carothers to Lansing, 4 September 1915 /16028; and Blocker to Lansing, 17 September 1915 /16250.

Throughout September, 1915, the Constitutionalists forced Villa to retreat. As he fell back, he seized whatever livestock and provisions he could take with him. The Constitutionalists, in the wake of Villa's retreat, picked up what he left behind. During the month, rumors abounded about the possibility of United States recognition for Carranza. The rumors appeared very well substantiated when the Secretary of State notified all Americans and other foreigners that it would be best if they left territory still held by the Villistas. In reprisal to the proposed recognition of Carranza, Villa began to confiscate American property. He also demanded $50,000 gold from the Corralitos Cattle Company in Western Chihuahua, owned by E. D. Morgan. Villa threatened to kill Morgan's entire herd of 5,000 if Morgan refused his terms.[33]

United States recognition for Carranza came on October 19, 1915. Woodrow Wilson pledged that he would hold Carranza to his promises of protecting foreign lives and property throughout Mexico, but Pancho Villa made Carranza's pledges impossible to keep. Villa, incensed with the recognition, vowed he would attack foreigners, especially Americans, and said he was through dealing with

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[33]Z. L. Cobb to Lansing, 30 September 1915 /16334; Gerhardt, England and The Mexican Revolution 1910-1920, p. 392; and New York Times, 15 October 1915.

the United States.[34]

As 1915 drew to a close, Villa embarked on a spree of vicious reprisals. At Tlahualilo, Coahuila, Villistas encountered a Spaniard bringing in a herd of goats. When the Spaniard could not produce the invoice covering his ownership of the animals, the Villistas shot him and confiscated the goats. Near Madera, Chihuahua, Villa and his men seized the Babicora ranch owned by William Randolph Hearst and his mother Phoebe. The Villistas looted the ranch, drove most of the cattle away, and then abducted an Englishman and four American employees.[35]

By early 1916, Villa's continuous plundering was widespread throughout Northern Mexico. The helpless Carranza could not stop the marauders and law and order disappeared. Villa returned to the Babicora Ranch in late January, took 500 colts, and killed 250 cattle a day to provide provisions for a new military campaign.[36]

Bandits again took advantage of the situation and the rural areas of Chihuahua and Coahuila bustled with bandit activity. Desperados completely overran the

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[34]Gerhardt, England and The Mexican Revolution 1910-1920, pp. 397-398; Carothers to Lansing, 31 October 1915 /16653.

[35]C. A. Williams, acting consular agent at Torreón, to Lansing, 10 December 1915 /16965; New York Times, 15 December 1915.

[36]New York Times, 25 January 1916.

area around Torreon and Parras and most of the foreigners abandoned their property, once again. In Chihuahua, bandits abducted Juan Bilboa, the cousin of an Italian rancher named Enrico Visconti, and then murdered Visconti when he refused to pay the $1,500 ransom demanded for his cousin. Fortunately for Bilboa, friends and relatives paid the money to obtain his release.[37]

When the Pershing Punitive Expedition began to chase Villa after his raid on Columbus, New Mexico, Villa grew more hostile. Everywhere he went Villa announced his intention of putting to death every gringo that fell into his hands. Still no help came from Carranza and Villa's depredations intensified. But now, Americans began to fight back. At the Hearst Babicora Ranch, eighty vaqueros were armed, the ranch buildings barricaded and the windows rimmed with sandbags in anticipation of Villista or bandit attacks. In late May, 1916, bandits under the command of Atezutro Dominguez and Pedro Castillo suffered almost complete annihilation at the hands of a group composed of twenty-five of the Babicora vaqueros. The bandits, not Villistas, had joined together to fight Carranza and Americans.[38]

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[37]Blocker to Lansing, 20 March 1916 /17544; New York Times, 20 March 1916.

[38]New York Times, 2 April 1916; 14 May 1916; and 20 May 1916.

The Hearst Ranch, with its armed vaqueros, would surely have been safe from the likes of a former member of Orozco's band, Jose Inez Salazar. Salazar decided to start his own revolution about the same time that the cowboys began to fight back. On a daring raid, Salazar and his band, all three of them, attacked the Santo Domingo Ranch in Chihuahua and came away with several bags of flour. Salazar's merry band consisted of a cripple, a man with one eye, and another who was deaf and dumb.[39]

The Hearst Ranch repelled the bandits, but could not handle the Carrancistas. Carranza, himself cantankerous toward the Pershing Expedition, ordered the seizure of the Ranch because the Babicora Development Company had sold cattle and supplies to United States authorities to be used as provisions by the United States military forces in Mexico. John C. Hayes, the American manager of the ranch, earlier had fled with 110 horses to keep them from being seized by the Carrancistas.[40]

Carrancista troops posed many problems for the foreigners they supposedly had been pledged to protect. Many soldiers deserted and turned to banditry because they could not feed themselves or clothe and feed their families on the five cents a day that the Government paid

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[39]New York Times, 12 May 1916.

[40]New York Times, 11 July 1916; 14 July 1916.

them. Often, the hungry troops resorted to killing cattle and raiding fields to satisfy their needs.[41]

The Pershing Expedition began to withdraw in early 1917 and relations between the United States and Carranza improved. Villa, however, remained just as active as before. José Inez Salazar joined the Villistas and in February he attacked the American owned Ojitos Ranch in Northern Chihuahua, kidnapped the ranch foreman, Bunk Spencer, and held him until the ranch paid a $5,000 ransom. Julio Acosta, another Villa commander, raided and completely looted the Naherachie Ranch, owned by Mrs. Phoebe Hearst, near Madera. Villistas also looted the Palomas Cattle Company as they ravaged unchecked through Chihuahua.[42]

Taking advantage of the fact that many Carranza officials abandoned their pursuit of him and began looting instead, Villa continued his reign of terror well into 1920. Caught between the Villistas, bandits and rebellious Carrancistas, foreign ranchers and farmers could only bide their time, hoping someday for an end to their hardships. James D. Sheahan, who had trouble with the Carrancistas in 1913 on his hacienda near Jiménez,

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[41] Blocker to Lansing, 11 October 1916 /19544; 14 October 1916 /19529.

[42] New York Times, 15 February 1917; 16 February 1917; and 17 February 1917.

typified the plight of the foreigner in Chihuahua and Coahuila during the Revolution. Each time Sheahan would harvest his crop, the Villistas or the Carrancistas would take it. If the Villistas took the crop, the Carrancistas would charge that he was a Villa sympathizer and would damage his property. If the Carrancistas took the crop, the Villistas charged that he sympathized with Carranza and they would damage his property. Undaunted, Sheahan kept planting his crops because he never lost hope that someday the trouble would end, and when it did, he would have something to make a new start on.[43]

The foreign rancher and farmer who went to Mexico with dreams of owning his own land and making a good living from it saw his dreams turn into nightmares during the Mexican Revolution. Isolated, in most cases, from any type of protection, the ranches and farms fell prey to the demands of countless bandits, rebels, and Federal forces. Ranches and farms, once objects of beauty and pride, were devastated almost beyond repair. Countless foreign ranchers and farmers, forced to abandon their life's work, never returned again. Often, those with the courage to return to their holdings found nothing left to come back to. However, even if his property was destroyed, he still had his life; many of the foreigners

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[43]Fall Committee Report, 2:2400-2401

were not as fortunate. As an obstacle in the path of the land-starved Mexican's quest for his own property, the foreigner was expendable.

CHAPTER III

MINING AND RAILROADS

The Mexican mining industry, from which the Conquistadores extracted so much wealth, fell into a prolonged slump during the years following the conquest. It was revitalized during the Porfiriato as foreign owners, taking advantage of the handsome concessions offered by Porfirio Díaz, invested large amounts of capital in the hope of procuring the remaining riches from the Mexican mines. Cheap labor and internal peace also added a further incentive to the profit-minded foreigner. The foreign mine owners brought to Mexico a knowledge of modern chemistry and new machinery so essential to the exploration and efficient exploitation of the mines. Díaz provided railroads so the mine owners could more easily transport their heavy machinery and supplies, enabling them to open up new mines in remote areas. The railroads also made it much easier to get the ore to the smelters and from there, the ore could be exported much faster and cheaper.[1] The two industries were tied closely together

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[1] Bernstein, The Mexican Mining Industry 1890-1950, pp. 17-20; p. 33.

because the mines depended on the railroads to take their ore to market. When the Revolution struck, the damage inflicted against the railroads severely affected the mining industry as well.

The Mines

Like the ranches, the mines' isolated location made them easy prey for bandits and rebels. During the initial stages of the Madero Revolution, the mines were robbed of arms, ammunitions and supplies so frequently that many mines closed down by March 1911. One American manager wrote back to the United States, telling his friends and family that if they decided to visit him, they would have to bring their own food because the rebels had taken all that he had. Trouble came from all quarters as witnessed by the Boston Mexico Development Company in Chihuahua which fell victim to 200 insurrectos who helped themselves to provisions from the company store and from the house of the manager, Daniel C. Sutton. Several days later, the company was robbed by the Federales.[2]

During the Madero Revolution, the mining companies surrendered unlimited arms and supplies, and some ores to the rebels, but surprisingly very little physical

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[2]New York Times, 24 March 1911; Testimony by Daniel C. Sutton, 24 March 1911 /1152.

damage was done to the property. During the Orozco rebellion against Madero, however, rebel attacks on the mines became much more destructive. Two hundred Orozquistas sacked the store of the Río Tinto Copper Company in Chihuahua and then burned the pumping plant to the ground. The company had already been looted three times by the rebels, but this was the first time they destroyed property. Mine officials throughout Chihuahua feared closing down because their men would join the rebels and perhaps bring even more destruction to their properties in retaliation for the low wages they received.[3]

The problems mining men initially encountered seemed extremely minimal when compared with those brought on by the Constitutionalist revolt against Huerta and the ensuing internal struggle for power between Villa and Carranza, once Huerta had resigned. Carrancistas and Villistas constantly visited the mines, impressed the employees into their army, sacked and destroyed property and often kidnapped foreign employees and mine officials for ransoms. Nils Olaf Bagge, president of the Almoloya Mining Company between Parral and Jiménez, encountered Villistas far too often as his mine was robbed successively by rebel Generals Urbina, Villa, and Herrera. Herrera

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[3]Consular Reports, 7 February 1912 /2776; Ellsworth to Knox, 18 March 1912 /3341; Letcher to Knox, 21 October 1912 /5304; and 26 October 1912 /5357.

also kidnapped the mine's superintendent, impressed him into his force, and did not release him until a 750 peso ransom was paid.[4]

While Villa and his men made life miserable for the miners in Chihuahua, the Carrancistas swept through Coahuila, preying on every mining concern they encountered. The rebels seized so much property from the New Sabinas Coal Company that the British owners had no choice but to close down all their mines, leaving 3,000 men unemployed.[5]

The Mazapil Copper Company in Saltillo fell victim to a demand by the rebels to contribute 50,000 pesos, even though the Federales still controlled Saltillo. The request had been telegraphed from Concepción del Oro by the rebel chief Eulalio Gutiérrez, who said that the money would be used to buy necessities for "the Army for the Restoration of the Constitution." The general manager of the company, P.E.O. Carr. notified Gutiérrez that he did not have the authority to use 50,000 pesos out of the company's fund because if he did take the money, he would be held personally responsible. Gutiérrez then reduced his demand to 25,000 pesos, but said he would blow up the company's plant at Concepción del Oro if he

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[4]Fall Committee Report, 1:1429-1431.

[5]Ellsworth to Bryan, 24 April 1913 /7248.

did not receive the money. Carr sent the money and did not tell the Federales of the threat because he feared the Federales might stop delivery of the money, forcing the rebels to destroy the plant in retaliation.[6]

Unfortunately for the company, the Federales later found out about the transaction. They then cut the telegraph wires between Saltillo and Concepción del Oro and destroyed a number of sections of track of the company's railroad believed to be utilized by the rebels. The destruction of the track cut off the escape route for many of the company's employees at Concepción del Oro, forcing them to endure rebel depredations.[7]

In August, 1913, the mining town of Lampacitos, Coahuila, suffered complete annihilation by the Constitutionalists who destroyed over $1,000,000 worth of property, mostly French owned, in their attempt to eradicate foreigners. The Mazapil Copper Company lost over $1,000,000 when the rebels burned the office buidlings and smelter at their plant in Concepción del Oro, the same plant that P.E.O. Carr had earlier paid 25,000 pesos to protect.[8]

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[6]John R. Silliman to Bryan, 5 June 1913 /7865.

[7]Silliman to Bryan, 18 June 1913 /7996.

[8]New York Times, 22 August 1913; W. P. Blocker to Bryan, 23 January 1914 /10670.

On April 2, 1914, the Constitutionalists entered and sacked the town of Las Esperanzas, Coahuila. During the raid they forced A. J. Ruckman, general manager of Las Esperanzas Mining Company, to march down the street at the point of a rifle and ordered him to yell "Viva Carranza," but, Ruckman refused, claiming his American citizenship dictated that he take no political side. Fortunately for Ruckman, he did not lose his life, but the rebels still confiscated a large supply of provisions from his company store.[9]

By the beginning of May 1914, foreign mining companies in Coahuila forcibly contributed so much to the rebel cause that almost every mine, financially unable to operate, ceased operations. Still, the rebels demanded more, as Carranza ordered the siezure of the five largest coal mines, all owned by French and American companies. The companies, valued at several million dollars, still operated, but now the Carrancistas, eager to provide coal for their trains, supplied the manpower. The 15,000 tons of coal and the 25,000 tons of coke that the company had stockpiled also found its way to the Constitutionalists' mineral coffer.[10]

Coahuila miners wilted under Carranza demands,

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[9]Blocker to Bryan, 9 April 1914 /11493.

[10]New York Times, 28 May 1914.

but Villa became even more belligerent to miners throughout Mexico after his split with Carranza. Miners in Villa's home state of Chihuahua especially suffered from his hostilities during his reign of terror. In July, 1915, Villa demanded a forced loan of $300,000 in gold from Chihuahua Mining companies and followed up this demand by calling a mining and smelter conference to be held in Chihuahua City on August 9. Fear swept through the mining community that Villa would use the conference to inform the miners that he intended to confiscate all the bullion of precious metal mines and smelters and then melt all the bullion together to destroy any means of identification. Fortunately for the miners, George Carothers arranged a meeting between Villa and United States Army General Hugh Scott before the conference was to be held. Scott and Villa met before in 1914, when Woodrow Wilson sent the American General to Villa's camp to explain the United States' position in the Constitutionalist struggle against Huerta. The men became close friends and nurtured a mutual respect for one another. Because of this reciprocal respect and friendship, Scott persuaded Villa to cancel his planned conference. The miners breathed a sigh of relief, but the respite was short-lived because after the United States

recognized Carranza, Villa became even more vengeful.[11]

Villa's actions after Carranza's recognition, coupled with increased bandit activity, created havoc for the mining companies. Villa's robberies of trains made it extremely difficult for the companies to transport their ore. The employees of the American Smelting and Refining Company refused to ride the ore trains unless they received much higher wages. They simply would not risk the chance of meeting the infamous Villa unless the companies paid handsomely for their services. Many employees of other companies refused to ride the ore trains at any wage, so the companies brought in new employees from the United States who would take the risk. Unfortunately, many of the new crews never reached the companies because rebels, and sometimes Federales, intercepted the men and impressed them into their army.[12]

Villa, alone, had almost paralyzed the mining industry in Chihuahua and Coahuila in 1915. The Pershing Expedition in 1916 stirred up even more anti-American and pro-Villa sentiment, both of which worked to the detriment of foreigners. Although Villa curtailed his activities

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[11]Atkin, Revolution!, p. 172; Z. L. Cobb to Lansing, 26 July 1915 /15545; 3 August 1915 /15630; and Hugh Scott to Lansing, 10 August 1915 /15719.

[12]Marion Letcher to Lansing, 9 September 1915 /16164; Cobb to Lansing, 8 February 1916 /17345; and 11 April 1916 /17813.

for a short while, anti-American Mexicans kept up the attack on American mining companies. Mexican mobs in Parral, Chihuahua, sacked and burned American mining properties after mob leaders had inspired them by firing on the expeditionary force near Parral. The Carranza authorities in the city stood by as the frenzied mob destroyed over $3,000,000 worth of American property. To add to the problem, Carranza also helped himself to 200,000 ounces of bullion from the Alvarado Mining and Milling Company of Parral. He later graciously returned 75 per cent of the bullion, but still kept 25 per cent as security for taxes.[13]

Villa became active again in October, 1916, and looted mining towns throughout Chihuahua and Coahuila, impressing all able bodied men into his army. Villa forced the men to join under threat of burning to death their families. In November he went to Parral, stole seventy-five bars of silver valued at $50,000 from an American mining camp. At the town plaza he spoke to the adoring throng about his overwhelming desire to fight the American expeditionary forces. After the speech, American and other foreign mining men, fearing for their lives, left for the United States. One Amer-

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[13]Carothers to Lansing, 14 April 1916 /17863; New York Times, 3 July 1916.

ican mining man, Howard Gray, did not make it. The Villistas shot him to death in his doorway and then hung his body from Villa's main column.[14]

Villa kept up his assaults on the mining companies and throughout the next four years he victimized them constantly. In June, 1917, Villistas raided the Erupción Mine near Villa Ahumada, Chihuahua, and detained the English manager and a Russian well digger until they received 3,000 pesos in ransom. In late December, 1918, Villa looted the offices and houses of the Cusi Mining Company and burned about $20,000 worth of property.[15]

Villa's increased activity around Chihuahua City in early 1919, forced mining men to sleep at night in Chihuahua City and limited their stay at the mines just to the daylight hours. Mining offices had to be moved into town because Villa still maintained hope of receiving steady contributions from the mining companies. He fervently made speeches to the mine workers, enticing them to claim their rights and to demand higher wages.[16]

The Villista struggle against Carranza, though diminished, continued through 1919. Rebels still sought

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[14] New York Times, 3 October 1916; 15 October 1916; 8 November 1916; 16 November 1916; and 8 December 1916.

[15] Cobb to Lansing, 8 June 1917 /21028; L. C. Neale to G. H. Shaw, State Department, 26 December 1918 /22438.

[16] J. Stewart to Lansing, 8 February 1919 /22516.

out materials and money from the mines to keep the movement going. In March, the rebels raided the Providencia mining camp near Saltillo. In the raid, the rebels looted the company store and took eleven cases of dynamite and considerable fuses and blasting caps. From the employees' homes, the rebels also confiscated food, clothing, and blankets.[17]

Villa captured Parral again in April, 1919, took all the trucks of foreign mining concerns, and made heavy demands on the companies. He called all the foreign mine owners together and told them to operate their mines, but ordered them to pay a certain amount of money for protection. One company, the Alvarado Company, refused to meet Villa's demands so he took possession of the plant and melted down and confiscated their silver bullion valued at $150,000 gold. He then placed dynamite in the plant and threatened to blow it up if the Federales attacked the town.[18]

The year 1920 saw Pancho Villa finally retire, but even before he left, his place was taken by the supporters of Alvaro Obregón, who also revolted against Carranza. The Obregonistas, like the Villistas, called

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[17]Harry Morgan, Vice Consul in Saltillo, to Lansing, 18 March 1919 /22587.

[18]Acting Consul Sterling to Lansing, 23 April 1919 /22644; 4 May 1919 /22690; and 11 May 1919 /22689.

upon foreign miners to contribute to their cause. However, their struggle proved much shorter than Villa's and some degree of peace from rebel, bandit and Federal demands finally came to the foreign miners in late 1920.

The long Revolution had indeed been "hell" for foreign mining companies in Chihuahua and Coahuila. Isolated even more than the ranchers, miners received little, if any, Federal protection from the incursions of those who robbed and destroyed their properties. The riches that lured them to Mexico in the beginning unfortunately also attracted the warring factions of Mexico and by the end of the long struggle, much of the displaced wealth found its way back into Mexican hands.

The Railroads

No industry during the Revolution suffered as much devastation as did the railroad industry. Railroad trains and rails suffered daily destruction at the hands of rebels and Federales who sought to stem the advances of the opposition. Trains were held up, railroad officers kidnapped for ransom, and company offices looted as contending forces and bandits searched for money and materials to continue the struggle or to aggrandize their personal well being. Adding more woes was the fact that foreign railroad workers, hated by Mexicans because of the treatment they gave Mexican railroad

passengers and because they received so much more pay than the Mexican workers, often received brutal treatment or even death during the Revolution. From one day to the next, the status of every railroad company in Mexico remained in doubt. The companies had so many troubles operating that one line in Coahuila, The Coahuila Pacific Railroad, had been nicknamed the Cuando Puede (When It Can).[19]

During the Madero Revolution, the Federales frequently blew up railroad lines to keep the rebels from advancing. When it became evident that the rebels would win, many Federal soldiers deserted, turned to banditry, and robbed the railroad companies. In May, 1911, at Monclova, Coahuila, ten Federal deserters entered the offices of the National Railways and forced the cashier to give them 30,000 pesos. The soldiers then escaped by taking one of the company's train engines, a coach and two water cars. As the robbers moved South, they burned bridges behind them and tore down telegraph wires. The deserters finally abandoned the train and joined the rebels.[20]

During the Orozco Rebellion, railroads came under

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[19]Jamieson, Tulitas of Torreón, p. 135.

[20]Ellsworth to Knox, 16 May 1911 /1797; 18 May 1911 /1912.

more attack. The American agent of the line at Sabinas, Coahuila, J. W. Perry, received a letter from the Orozquistas telling him to burn a bridge at the station or else he would be shot. Ironically, the letter also offered 5,000 pesos to Perry if he accomplished the act. Perry did not burn the bridge, but quickly left the area instead.[21]

In Chihuahua the rebels robbed so many American train passengers that 1,200 American employees of the Mexican National Railways initiated a strike. They believed the Mexican Government intentionally proposed to eliminate them because the Federales had given them absolutely no protection from rebel incursions. On one train trip alone, between Chihuahua City and Ciudad Juárez, bandits relieved fifty American passengers of all their valuables.[22]

When the Constitutionalist revolt against Huerta broke out, the railroads suffered even greater losses. At Piedras Negras, Coahuila, Colonel Jesús Carranza began the assault on the railroads when he robbed $3,000 from the pay car of the Mexican National Railway. Actions such as this during the bitter struggle forced many rail-

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[21]Ellsworth to Knox, 2 March 1912 /3216.

[22]H. L. Wilson to Knox, 26 February 1913 /6475: New York Times, 18 November 1913.

roads to close down because of the loss of so much money and property. When the Northwestern Railroad, a Canadian line, closed down in Chihuahua, Villa threatened to confiscate the company if they did not immediately repair and operate the line. This threat forced the company, in spite of danger to life and property, to resume operations.[23]

A major railroad disaster occurred in January, 1914, when Máximo Castillo, a ruthless anti-American bandit in Chihuahua, set fire to a freight train and then placed it in the Cumbre Tunnel, located between Pearson and Madera. Castillo then allowed a passenger train to run far into the tunnel. Although the passenger train did not crash into the burning freight train, thirteen Americans and fifty Mexicans suffocated from the smoke and flames while trying to reach the entrance of the long tunnel.[24]

Both of the trains destroyed by Castillo belonged to the Mexican Northwestern Railroad, which had more trouble with bandits in 1915. This time, bandits seized Edward Ledwidge, the Commissary Superintendent of the railroad, and two of his assistants. From their camp

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[23]Ellsworth to Knox, 26 February 1913 /6475; New York Times, 18 November 1913.

[24]New York Times, 8 February 1914.

in the mountains, the bandits released the two assistants so they could travel to Juárez to obtain the $10,000 ransom demanded to free Ledwidge. Before the money arrived, Ledwidge gave the bandits $13,000 in Villa money in return for his release, but the bandits showed their disdain for the worthless currency by burning it in their campfire. Fortunately, when the $10,000 reached the bandits, Ledwidge was freed.[25]

Depredations against the railroads in Chihuahua and Coahuila centered around the activity of Pancho Vila for the greater part of 1915 and 1916. As Obregón closed in on him during the Carranza-Villa contest, Villa made a last ditch grab at goods and merchandise to forestall his defeat. At Juárez, he seized all the goods from the railroad warehouses, including all the coal and coke the railroad had on hand. In a violent effort to get more coal from the railroads, Villa threatened to burn all of the foreign freight cars if he did not receive all that he needed. On January 16, 1916, Villa, not satisfied with his share of coal, burned a large number of the freight cars and killed the bookkeeper of the Mexican Northwestern Railroad.[26]

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[25]New York Times, 13 September 1915.

[26]Cobb to Lansing, 4 August 1915 /15634; 4 November 1915 /16703; and New York Times, 11 January 1916.

A few days later near Santa Ysabel, Chihuahua, Villistas, led by Pablo López, robbed a train carrying thousands of dollars in currency and a large quantity of merchandise owned by American miners returning to resume operations of their mines after they had received guarantees of safety from Carranza. In brutal fashion, the Mexicans forced the Americans from the train, robbed and then killed them, then stripped bare the mangled bodies. Only one member of the party, Thomas Holmes, was fortunate enough to escape the ruthless massacre. López told the Mexican passengers to have a good time and "watch us kill the Gringos". To help them along with their good time, López also robbed the Mexicans.[27]

Villa, who denied any responsibility for the killings, said that López completely exceeded his orders. Since the robbers were Villistas, however, Villa still received the blame. The massacre touched off massive mob protests on the United States side of the border, but no United States troops entered Mexico to hunt Villa down. The following month, López received orders from Villa to return to the area around Santa Ysabel to hold up all passing trains and to kill any American or China-

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[27] New York Times, 12 January 1916; Atkin, Revolution!, p. 269; and Clendenen, Blood On The Border, p. 198.

man that might be aboard.[28]

The remaining years of the Revolution brought increased agony from all quarters to the Mexican Northwestern Railroad. In June, 1916, Carranza seized the railroad for a period because he needed it for immediate military transportation. After Carranza returned the railroad, the Villistas started their attacks once again. On November 6, 1917, they robbed one of the company's trains South of Chihuahua City and escaped with the $100,000 worth of silver bullion being sent to the United States. The following year, Villa extracted a $50,000 forced loan from the company and then again on May 29, 1919, the Villistas blew up $15,000 worth of the company's bridges and railroad cars because the company refused to meet Villa's demand for yet another forced loan.[29]

Villa continued his plundering of railroads into 1920 when on March 4, he blew up a train, killed both of the conductors and hung a Syrian passenger. Villa also abducted an American until he received a ransom for his release. Villa robbed all the other passengers and then

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[28] Atkin, Revolution!, pp. 270-271; Letcher to Lansing, 9 February 1916 /17268.

[29] New York Times, 27 June 1916; 7 November 1917; Edward Dow to Lansing, 5 December 1918 /22405; and 4 June 1919 /22768.

looted and burned the train.[30]

The railroad industry in Chihuahua and Coahuila enjoyed little, if any, peace during the Revolution. Serving as the transporter of supplies and men for both sides, trains, bridges and track frequently met destruction at the hands of combatants seeking to prevent them from reaching their destinations. As a carrier of passengers and precious metals, trains were constantly confronted by bandits, rebels and Federales, who sought the wealth of their cargos. No railroad company property or railroad employee remained safe during the bloody struggle.

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[30]Consular Agent Stewart to Lansing, 6 March 1920 /23419.

CHAPTER IV

THE CITIES AND TOWNS

Moving into Mexico after the miners, ranchers, railroaders, and farmers came the foreign businessmen, anxious to capitalize on the profits to be made during the Porfiriato. Merchants, bankers and industrialists flocked to the cities and towns to establish their businesses, and to build their smelters and plants. Coming with them, in most cases, were skilled artisans who, when mixed with the unskilled Mexican workers, formed the corps of workers for the foreign concerns. Because he received many times the wages of the Mexican laborer, and found the cost of living very cheap, the foreign worker lived very comfortably in Mexico.

At first, the foreigner found city life much more advantageous than that in the country. He had all the conveniences, such as stores, doctors, hospitals, theaters and above all, Federal protection from marauding bandits, few though they might be during the peace of the Porfiriato. The towns and cities proved veritable havens for the foreigner, but when the Revolution began, the haven turned into a fiery hell.

As anarchy prevailed during the struggle, the foreigner became easy prey for disgruntled lower class, Mexican city dwellers who sought revenge for the inferior status that had been bestowed upon them because of the Porfirista preference for foreigners. Rebel and bandit groups frequently enriched themselves at the expense of foreigners and delighted in committing vicious atrocities against them. Throughout the Revolution, scores of foreigners died at the hands of Mexicans, often being tortured beforehand. When each municipality changed from Federal to rebel hands, the foreigner was often singled out to die and, as the Revolution progressed, even the Federales sometimes turned upon him. Caught in a vise between the contending forces and sometimes unable to leave, foreigners suffered unbearable hardships for the duration of the bitter struggle.

Before the Revolution actually started, foreigners in the cities and town had some inkling of what lay in store for them. After the burning of Antonio Rodriquez, the Mexican lynched in the United States for murdering an American woman, an editorial in El Imparcial, a Mexico City newspaper, appeared with the evident purpose of exciting Mexicans to acts of violence. Cries of "Death to the Yankees" and "Down with the Gringos" could be heard throughout the nation. In Torreon, Coahuila, workers at an American owned Rubber factory

openly carried cards reading "Kill Díaz and his Yankee friends".[1] The anti-foreign sentiment grew rapidly and before long, foreigners suffered increasing indignities such as being elbowed off of sidewalks and many became targets of Mexican insults. As the rebellion progressed and Constitutionalist victories increased, foreigners in the cities and towns began to feel the burden that the Revolution placed upon them. Rebels blockaded cities, causing prices to skyrocket, and eventually forced business, foreign and native alike, to come to a standstill. Fear of riots and destruction of their property permeated the soul of every foreigner. Suddenly he felt alone, unprotected and hated, as anti-foreign, mostly anti-American, feelings swept throughout Chihuahua and Coahuila. Threats dictated the death of all Americans living in Mexico if the United States intervened in Mexican affairs.[2]

Because he faced angry Mexicans inside the cities and because he could not circumvent the rebel blockades and railroad shut-downs, the foreigner found himself in a precarious position. By the end of March, 1911 the revolutionaries patrolled the entire states of Chihuahua

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[1]Henry Lane Wilson to Knox, 10 November 1910 /385; New York Times, 23 November 1910.

[2]New York Times, 3 March 1911; Consul Leonard to Knox, undated 1911 /993.

and Coahuila and up to this point they still strove to protect foreign interests. But, in April, the rebels began to utilize foreign businesses to their advantage as their movement intensified. First to contribute to the rebel cause was the Madera Lumber Company in Madera, Chihuahua. The rebels completely took over the company's machine shops so they could manufacture their cannons out of old car axles. The Guggenheim smelter in Chihuahua closed down because all of the Mexican workers joined the rebels.[3]

Throughout April, hope for an early peace faded away as business in both states became completely paralyzed. But, aside from profit losses, foreign businesses suffered very little physical damage. By the end of the month, the situation changed drastically. Violently anti-American editorials, claiming that United States intervention on behalf of foreign investors was imminent, spurred rebels and bandits on to violent destruction. Insurgents attacked foreign property without regard to the character or ownership of property. Law and order seemed to vanish as bandits operated freely under the

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[3]Ellsworth to Knox, 18 March 1911 /1042; Marion Letcher to Knox, 6 April 1911 /1318; and New York Times, 12 April 1911.

eyes of the rebels, robbing everyone as they pleased.[4]

In Northern Chihuahua, on May 9, 1911, the insurrectos ignited a fire in the business area of Ciudad Juárez, completely destroying numerous foreign concerns. Following the fire, the rebels embarked on a pillaging and looting spree that lasted for hours.[5]

When the Maderista rebels under Villa took Torreón on May 13, 1911 the city became a nightmare for hundreds of foreigners, especially the Chinese. As the Federal forces guarding the city retreated, over 10,000 citizens joined the rebels in race riots and property destruction. Many Chinese victims had their arms and legs tied to horses and their bodies torn apart. Some were dragged by the neck, dead and half dead, through the city streets. The rebels dragged Doctor J. W. Lim, one of the wealthiest Chinese bankers in Northern Mexico, around the town plaza until his body was badly crushed. Then they shot and killed him. A Mexican mob entered a Chinese bank building and found a number of newly arrived Chinamen on the second floor. The mob turned on them with knifes and guns and then threw them out the windows to the street below so other mob members could

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[4]Letcher to Knox, 11 April 1911 /1429½; 29 April 1911 /1430; and New York Times, 19 April 1911.

[5]New York Times, 10 May 1911; 15 May 1911.

"finish them off". Blood dripping down through the bank floor and brains smeared all over the stairwell served as grotesque evidence of the Mexican's hatred toward the Chinese. The rebels stood little children up against a wall and brutally shot them down, despite their cries of "No me maten" (Don't kill me). Chinese women received the same treatment. Rebels incarcerated two hundred Chinese for safekeeping, but while there, the Mexican guards took all of their money and clothes. Fortunately, they did not lose their lives.[6]

For three hours the slaughter of Chinese and the looting of businesses continued. Mexican children, eight to ten years of age, strolled through the streets, kicking and hitting the dead Chinese in the face and then spitting on their corpses. Finally, Emilio Madero, Francisco's brother, arrived in Torreón and stopped the killing and plundering. Madero ordered the looting stopped "on pain of death." Many of the people began bringing back the stolen items and filled a dry irrigation ditch with typewriters and other stolen goods.[7]

The Chinese did not suffer alone as rebels sacked American, Arab, and Spanish stores as well. One

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[6]Jamieson, Tulitas of Torreón, pp. 119-120; New York Times, 22 May 1911; and 23 May 1911.

[7]Jamieson, Tulitas of Torreón, pp. 121-123.

American, Paul C. Renard, had an office on the same floor in the Chinese bank building where the Chinese met their fate. The Maderistas chopped through the locked office stores and took everything that they could move. What they could not transport, they destroyed.[8]

When the ordeal finally ended, 206 Chinese lay dead and the Mexicans buried them all together in a trench dug outside of the cemetery. Many attributed the senseless slaughter of these people to the fact that they grew fine vegetables and fruit, which caused many Mexicans, not as thrifty or as hard working, to cultivate a hatred for them. Another reason put forth is that the Chinese bore arms supplied by the Federales and fired on the mob when they attempted to rob the bank. Whatever the reason, the atrocities committed in Torreón set the tempo for many subsequent acts against foreigners during the Revolution.[9]

Even after Díaz resigned in May 1911, and Madero became President in November, the situation still remained critical for foreigners as anti-Madero uprisings flared-up all over Chihuahua and Coahuila. Anarchy

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[8]Fall Committee Report, 1:1077-1082; Jamieson, Tulitas of Torreón, pp. 119-120.

[9]Carothers to Knox, 19 May 1911 /1895; Ellsworth to Knox, 24 May 1911 /1974; Jamieson, Tulitas of Torreón, p. 95; and pp. 119-120.

prevailed everywhere and foreign businessmen quickly felt the brunt of the new rebellion. Mexican workers in all occupations voiced their complaints against the Madero regime and conducted numerous strikes, again bringing a halt to business activity. Around Torreón alone, 5,000 striking, disgruntled workers posed such a potential problem that American and other foreign families began to leave the area in anticipation of mob violence directed against their property and their lives. The Mexican press, still violently anti-American in its editorials, kept printing United States intervention articles to intensify the anti-foreign hatred throughout the country.[10]

General discontent with Madero, and the Vázquez Gómez and Orozco rebellions in early 1912, brought increased hardships to foreign investors. Disgruntled soldiers staged a barracks revolt in Juárez at the end of January and looted the town. During the drunken frenzy, the soldiers shot two Americans and inflicted so much damage on the town that the streets of Juárez looked like cyclone damage in Western Kansas. Almost every store, curiosity shop, saloon, bordello, and bank had its glass front smashed, furniture broken and all

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[10]Ellsworth to Knox, 17 November 1911 /2518; 21 November 1911 /2562.

the contents taken. One French store lost $75,000 in goods to the soldiers who also looted a German store and then burned it to the ground. The German owners estimated the value of the store and its contents at $250,000. American stores received especially harsh treatment from the soldiers as American flags placed in front of the stores seemed to spur them on to more vengeful looting. Anything the soldiers could get their hands on they took. Only the Banco Nacional's steel vault saved the deposits there from confiscation because they could not penetrate the thick walls.

After the incident, the Chamber of Commerce of El Paso, Texas, called upon President Taft to take action to protect the lives and the property of American citizens in Juárez. Taft sent American troops to the border, but they saw no action because most foreigners had already crossed into Texas for protection.[11]

Vazquistas and Orozquistas roamed the North, preying on foreigners. Vazquistas held up Carlos Schmidt, an American employee of the Continental Mexican Rubber Company in Torreón, three times on a 100

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[11] Consul Wickersham to Knox, 1 February 1912 /2713; U.S. Treasury Department to Knox, 2 February 1912 /2713; W. S. Clayton, President of El Paso Chamber of Commerce, to Taft, 1 February 1912 /2730; Thomas Edwards to Knox, 2 February 1912 /2726; New York Times, 2 February 1912; and 24 February 1912.

mile trip he made. His company closed down operations because of the rebel seige of Torreón which completely paralyzed business. The American Smelting and Refining Company, robbed nightly, lost over 10,000 pesos and operated only one of its nine furnaces.[12]

Residents of Torreón suffered as prices rose when food supplies dwindled. Eggs, for example, cost thirteen cents each, and again hungry Mexicans blamed foreign store owners for the high prices.[13]

Fearing mob action as well as rebel depredations, many foreigners throughout both states left. Two hundred and eighty terror stricken Chinese from Coahuila, remembered what had happened earlier in Torreón and flocked to Ciudad Porfirio Díaz in hopes of obtaining asylum in the United States.[14]

Those foreigners who decided not to abandon their property paid heavily for their decision. At Santa Rosalia, Chihuahua, Orozquistas under José Inez Salazar, upon capturing the town, called all the businesses together, foreign and Mexican alike, and demanded contributions to the rebel cause. The rebels forced

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[12]American Smelting and Refining Company to Huntington Wilson, 20 February 1912 /2832½; Ellsworth to Knox, 7 March 1912 /3166.

[13]Ellsworth to Knox, 7 March 1912 /3166.

[14]Ellsworth to Knox, 8 May 1912 /3871.

S. Pearson and Son, a British concern, to donate 11,000 pesos and the German-owned Río Florida Cotton Factory contributed 2,000 more. All businesses paid something and even an American physician added 500 pesos, under duress. In Chihuahua City, the Orozquistas called for forced loans amounting to 1,200,000 pesos from members of the Chamber of Commerce, banks and merchants of the city. The Banco Nacional, run by Frenchmen, delivered the entire 275,000 pesos it had in its vaults and then closed down. Again, under threats of force and confiscations, all businesses contributed.

Rebels seized whatever they could from businesses of all sizes. Luis Hess, an American, owned a shoe store in Sierra Mojada, Coahuila. He lost $660, all of his shoes, three horses and most of his other merchandise. Whatever daily cash receipts he made from the remaining merchandise he had to turn over to the rebels.[15]

By the end of May, 1912, the Orozquista movement began to wane. In an effort to sustain their struggle, the rebels put more pressure on businesses for funds. Chihuahua City merchants, already bled dry, were told to contribute an even more impossible 1,000,000 pesos. All the banks in the city, except one, had closed down

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[15]Letcher to Knox, 19 March 1912 /3367; 21 March 1912 /3525; and Ellsworth to Knox, 17 May 1912 /3964.

because of the lack of money. Forced to abandon their demands for the total sum, the rebels confronted businesses individually to extort what they could. The American Smelting and Refining forcibly repurchased a large quantity of ore that the rebels had stolen from them. Refusal presaged a closure of the plant. Two months later the company paid $5,000 for the privilege of exporting eighteen cars of bullion to the United States.[16]

By October, the Orozquista revolt had ended. Peace settled in the cities much faster than in the rural areas and businessmen received a brief respite. The long struggle proved to be extremely devastating to foreign businesses, but had the foreigners abandoned their concerns when the uprising first erupted, Vázquez Gómez, Orozco, and the other anti-Maderistas would not have been able to sustain the struggle for as long as they did. For, only through the contributions extracted from foreign businesses, could the movement endure at any length. When this source of income diminished, the movement died with it.[17]

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[16]Letcher to Knox, 31 May 1912 /4091; 24 June 1912 /4290; and Ellsworth to Knox, 9 August 1912 /4625.

[17]Letcher to Knox, 28 June 1912 /4357.

From October, 1912, to February, 1913, businesses attempted reconstruction. However, with the Huerta coup that replaced Madero in February, Chihuahua and Coahuila burst forth in anti-Huerta rebellions and again business paid the rebel bills. In Cuidad Porfirio Díaz, Coahuila, Venustiano Carranza's brother, Colonel Jesús Carranza, demanded that the foreign merchants raise ten to twenty thousand pesos to pay and feed the State volunteers. Colonel Carranza prevented all foreigners, except Americans from leaving the city so he could collect the money. However, foreign concerns refused to donate even one dollar to him. Carranza took the refusal in stride and calmly confiscated over 100 car loads of merchandise destined to the merchants from the Mexican customs house. Carranza then sold much of the goods at prices so low that Mexicans, unable to buy shoes before, strutted through town wearing the best brands. All of the goods sold brought less than one half of its wholesale value. To receive the remaining goods, the foreign merchants paid heavy ransoms to the Constitutionalists. Carranza's demands did not stop at the customs office. He ordered all foreigners to pay rent directly to him instead of to their landlords. To prevent any retaliation, he also demanded that all foreigners deposit their arms and ammunition with him. Faced with threats of destruction and confiscation, the

foreigners complied with Carranza's demands.[18]

Jesús Carranza's actions in Cuidad Porfirio Díaz complemented the activities of his brother in the interior of Coahuila. Governor Venustiano Carranza pilfered all of the state public funds and supplemented them by making heavy demands on banks and merchants throughout the state. Carranza seized the railroad cars of the Continental Rubber Company and sold them to a German rubber manufacturing firm at Monclavo. The German firm then shipped the goods on to New York to sell. Many businesses in Coahuila lost large amounts of goods to the rebels, "legally confiscated", according to Carranza, because the goverment in charge of the State needed the goods to sustain their efforts.[19]

Once again, businesses in both states fell victim to demands of bandits as well as rebels. One bandit, Maclovio Herrera, and his 400 followers sacked the town of Naica, Chihuahua, robbed all the stores and residences and held an Italian businessman, José Bovio, until they received a ransom of $2,000. Herrera and his band also entered the camp of workmen building the

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[18]Ellsworth to Bryan, 1 March 1913 /6460; 2 March 1913 /6461; 5 March 1913 /6503; 27 March 1913 /6893; and unsigned for Alvey McAdee to Bryan, 15 March 1913 /6795.

[19]Ellsworth to Bryan, 3 March 1913 /6476; 16 April 1913 /7193.

Conchos River Dam and demanded $25,000 under threat of death to the English foreman. The manager, J. W. Fuller, an American, refused the bandits demands so Herrera ordered him tied to a burro and threatened to send the burro down a steep mountain side. Fuller's associates quickly offered Herrera $5,000, but he refused to take less than $10,000, which he received. Not satisfied with just the $10,000, the bandits looted the homes of all the foreign workers and then robbed the company store of $7,000 in merchandise. The experience proved to be most frustrating to Fuller's associates, who had paid $20,000 to free him from another group of bandits just two weeks before the Herrera episode.[20]

As the rebel movement engulfed Chihuahua and Coahuila, business activity again came to a standstill. In Torreon, smelters and factories closed their doors leaving thousands unemployed. Many of the destitute Mexican workers joined the growing rebel army and vented their revenge against foreign concerns as they went.[21]

The lack of business activity worked tremendous hardships on foreigners in Torreon. Many wanted to leave, but could not obtain enough money to do so. Most had so little funds that Henry Lane Wilson sent $1,000

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[20]New York Times, 15 April 1913; 17 April 1913.

[21]George Carothers to Bryan, 7 May 1913 /7586.

to Consul George Carothers to buy food for them.[22]

City after city fell to the onslaught of either rebels or bandits. Sweeping through the North with devastating success, the rebels spared no one in their quest for victory. At Saltillo, the rebels annihilated a Federal garrison and then turned their energies on the town where they looted and destroyed foreign businesses and homes. In Ciudad Porfirio Diaz, the rebels completely destroyed a Chinese laundry and arrested fourteen Chinese, claiming the Chinese fired on them first from inside of the building.[23]

Bandits, too, joined the rebels in a reign of terror as they invaded the town of Madera, Chihuahua, in search of a posse of American cowboys who had killed two of their band. The bandits, in the unsuccessful process of trying to reach the cowboys who had barricaded themselves in a hotel, terrorized other Americans in town. They rode through the streets, looted American homes, threatened to burn the American lumber companies there, and to kill all the men and take the women for ransom. They abducted two American lumbermen and held them for ransom. Another American, John

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[22]New York Times, 13 July 1913.

[23]John Silliman to Bryan, 21 May 1913 /7568; Ellsworth to Bryan, 28 May 1913 /7624.

Parks, had his left ear severed and his face slashed by a bandit's sabre. The assault on Parks, brought on by his refusal to give money to the bandits, was witnessed by his wife and children.[24]

An American Congressman, William R. Smith of Texas, wanted Woodrow Wilson to send troops to Madera to protect the Americans, but Wilson told Smith that Pancho Villa, still courting United States aid, would protect Americans there. The force Villa sent to Madera successfully chased the bandits away from the Americans, but a few days later a Federal force routed the Villistas and then arrested five American officers of the Madera Lumber Company for being Constitutionalist sympathizers.[25]

The Madera Lumber Company's troubles did not end yet. In August, bandits under Máximo Castillo took 1,200 pesos from the company's safe, then, a week later, they kidnapped G. Duthe, the American manager of the power plant until the company paid a large ransom. Later on in August, the Castillo band murdered Edmond Hayes, the manager of the company. Castillo's men, affiliated with Huerta's Federal forces, had not been paid for

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[24]New York Times, 20 July 1913; 23 July 1913; and 24 July 1913.

[25]New York Times, 24 July 1913; 6 August 1913.

some time. To appease the bandits, the Federales allowed them to loot for twenty-four hours. Hayes died as a result of this action because he refused Castillo's demand for money. After this occurrence, most of the 100 Americans, along with several Germans and seventy-five Chinese departed for the United States.[26]

Federal activities imposed additional hardships on foreigners. In beleaguered Torreón, Federales took food from Americans and gave it to the soldiers. Since the rebels had cut off the food supply lines, civilians received just enough food to sustain life and the rest went to the soldiers. Torreón seethed with epidemics of smallpox, scarlatina and typhus. Sanitary conditions were almost nonexistant as pestilance from dead humans, horses, and mules crept into the city. Still, Federales denied foreigners the right to leave. However, Frank and Milton Chessam and Andrew Odel, ignored the Federal orders and escaped from the death trap. The three Americans procured mules from the area around Torreón and rode 600 miles to Piedras Negras.[27]

Some foreigners not as fortunate as the Chessams and Odel suffered immeasurably. Federales under General Bravo executed six Americans in August, claiming they

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[26] New York Times, 5 August 1913; 26 August 1913.

[27] New York Times, 31 July 1913; 31 August 1913.

supported the Constitutionalists. Carothers protested to Bravo, who told him that the affair was none of his business. Bravo felt that since the United States did not recognize the Huerta government, he would not recognize Carother's authority.[28]

Federales harassed other foreigners besides those in Torreón. In all the cities in Chihuahua and Coahuila still controlled by Huerta, foreign companies and individuals forcibly contributed large amounts of money to the Federal troops stationed there. Some American companies paid several thousand pesos per week for Federal "protection". Managers of the companies would not make statements in this regard to Washington officials from fear of Federal retribution.[29]

Foreign investors not only contributed money to the Federales, but also contributed manpower. Many concerns closed down because their Mexican labor force was conscripted into the Federal Army. The Guggenheim property in Chihuahua City, alone, lost almost all of its 4,000 native laborers because the Federales needed them to bolster their forces in the struggle against the Villistas in Chihuahua.[30]

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[28] Blocker to Bryan, 2 September 1913 /8755.

[29] New York Times, 21 October 1913.

[30] New York Times, 7 November 1913.

Parral, Chihuahua, greatly resembled Torreón during the fall of 1913. When the Constitutionalists took the city, they levied forced loans on all foreigners. There, too, foreigners faced starvation as food supplies became exhausted and what did exist, first went to the Constitutionalist soldiers. Natives boycotted American businesses and spent absolutely no money at American stores if the Mexican's could buy the needed items from the Germans, French, or any other foreigner.[31]

In October, 1913, the rebels took Torreón, but instead of relief, foreigners faced added burdens. Upon entering the city, the Villistas demanded a 3 million peso "loan" from everyone (except Americans) in the district. Three weeks after their initial entrance into Torreón, the Villistas had executed twenty-six Spaniards who refused to meet their monetary demands. Villa, however, did allow foreigners to leave once they fulfilled their monetary obligations.[32]

At Juárez, Villa again became displeased with the Spanish, this time because they would not accept his fiat money, and because they closed their doors and refused to deal with him. Spanish property escaped

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[31] New York Times, 4 September 1913.

[32] Silliman to Bryan, 25 October 1913 /9311; 4 November 1913 /9614; and 29 November 1913 /9983.

confiscation only because American consul Thomas Edwards accepted custody of it, and Villa refused to challenge United States authority.[33] This refusal, however, did not necessarily extend to American business concerns. While still in Juárez, Villa swore he would bar the Western Union Telegraph Company from Mexico for their refusal to do business with him. Villa maintained that this action came about because the company had an agreement with Huerta, whereby it would not operate in rebel-held territory.[34]

Villa announced in December that he would give full protection to all foreigners who remained neutral in Mexican political affairs. Those who had given any support at all to the Huerta administration would have their property confiscated. In Chihuahua City, he carried out this pledge. As a reprisal against merchants, mostly Spanish, for not accepting his fiat money, Villa confiscated $100,000 worth of merchandise from the Banco Minero. Spanish merchants closed their shops down and gave the keys to Consul Edwards again. But, this time, Villistas did challenge Edwards authority when they broke into the Spanish shops and looted them. Edwards returned the keys to the Spanish because

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[33] New York Times, 28 November 1913.

[34] New York Times, 29 November 1913.

he could not protect the property. Villa sold most of the confiscated stock to the poor Mexicans in Chihuahua.[35]

Villa's hatred for the Spanish became quite evident in Chihuahua City. Not only did he confiscate their goods and extract $1,500,000 in gold from them, but he ordered them out of the state within ten days, under penalty of death. Villa also assailed Spanish nuns and priests as he confiscated their property and demanded $5,000 from each of the priests.[36]

As of December 21, 1913, Villa had confiscated all of the property of Spanish subjects in Chihuahua. The property amounted to millions of dollars and since most of the mercantilist establishments and some of the factories belonged to Spaniards, the commerce of Chihuahua City crumbled. Villa did not limit his demands to just Spanish. He also seized a department store, valued at $1,500,000, owned jointly by French, German, English and Spanish interests and placed a rebel leader, General Manuel Chao in charge of it. He also seized 400 tons of coal from the American Smelting and Refining Company. The loss of the coal, added to the large

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[35]Letcher to Bryan, 1 December 1913 /9995; New York Times, 2 December 1913.

[36]Letcher to Bryan, 11 December 1913 /10167; New York Times, 14 December 1913.

forced loan that Huerta exacted from the company earlier, presaged the closure of the company's plants in Chihuahua.[37]

By the end of 1913, Villa had seized over $5,000,000 dollars in foreign property. He justified all of his actions when he declared that the property belonged to the poor. Thanks to Villa, the rebel war fund increased tremendously at the expense of dozens of frightened foreign investors, many of whom fled from Mexico.[38]

Saltillo, Coahuila, began 1914 in much the same condition as Torreón and Chihuahua City. Rebels cut off all supplies of food and communications to the city and as a result, food prices rose. Coffee, which earlier sold for ninety cents per kilo now cost three pesos. Merchants, forced to raise prices because of the shortage, were violently chastized by the Mexican press and anti-foreign sentiment grew once again. General Maass, the Federal commander, collected 40,000 pesos from the banks and merchants for what he called his "reserve fund" to buy prime necessity items. Because of the conditions, some businesses closed down rather than accept government script, which would be worthless if the rebels captured

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[37] New York Times, 3 December 1913; 15 December 1913; and Letcher to Bryan, 21 December 1913 /10301.

[38] New York Times, 15 December 1913.

the city. The incarceration of the manager of a Syrian concern because he refused to accept the script, convinced many merchants how foolish it would be to remain open for business if they did not accept the government's money.[39]

After the Americans occupied Veracruz in April, 1914, anti-American sentiment in Saltillo increased. Federales incarcerated a number of Americans and civilian mobs formed throughout the town shouting "Muerto los gringos", "Death to the gringos". The American Consul, John R. Silliman, and an American physician, Dr. Herbert Saunders, were among those jailed. Saunders, a retired United States Army surgeon, spent fifteen days in jail. The Federales searched Saunders and confiscated his watch, money, and hat as soon as he arrived at the jail. During the ordeal, the jailers struck Saunders several times, threw him down two flights of cement stairs and finally locked him up in a cell three feet square. Water and filth covered the cell floor and Saunders did not have any bedding. He remained there for twenty-four hours before he received some foul-smelling soup and dirty water. The Federales forced Silliman to divulge the combination to the safe at the consulate. They then

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[39]Silliman to Bryan, 12 January 1914 /10633; 4 March 1914 /11139.

opened the safe, took all of his valuables and important papers, including the American code book. Besides the incarceration and harrassment doled out to the Americans, the Federales also looted and burned the Purcell Bank and Mazapil Copper Company, British concerns. The cashier of the bank and three employees at the copper company died in the robberies. The Federales then moved to the German owned Seiber Hardware Store, one of the biggest in Mexico, and looted it.[40]

In April, Villa returned to Torreón. While laying seige to the city, Villa forced the British Vice-consul at Torreón, H. S. Cunard - Cummings, to enter Torreón and demand the surrender of the Federales under Velasco. Villa told Cunard - Cummings that if he did not go, he would have his brains blown out. Villa almost sent George C. Carothers, the American Consul, but decided instead that Velasco knew Cunard - Cummings better. Upon taking possession of the city, Villa rounded up all the Spanish into three buildings. He uncharacteristically told them that he would not kill them because he did not want foreign nations to call him an assassin. However, he said that they must be expelled for their own protection because his men, violently anti-Spanish, would kill them if they had a chance. Therefore, six hundred Spanish

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[40]New York Times, 30 April 1914; 23 May 1914.

residents left Torreón on a special train that Villa provided. The Spaniards left behind $15,000,000 worth of cotton and Villa immediately sent $1,000,000 of it to El Paso.[41]

When Huerta resigned in July, 1914 and Villa and Carranza struggled for power, foreign business received another setback. To finance their campaigns, they both resorted to large forced loans and other measures from which foreigners could not escape.

Merchants in Chihuahua constantly felt the wrath of Villa. In July, 1915, Villa called a meeting of all the merchants in Chihuahua City and accused them of robbing the people. From that point on, he said he would take drastic measures to keep the merchants from selling at extortion prices. He seized all the stocks of merchandise in the city, native and foreign alike. Foreigners were to be paid cost plus fifteen per cent for their goods, but native merchants contributed everything for the good of the Revolution. Villistas looted all the stores and then distributed the goods to the city's poor. He forced all foreign merchants to accept his money at thirty cents on the dollar and

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[41] Carothers to Bryan, 6 April 1914 /11419; New York Times, 6 April 1914; 9 April 1914; and 10 April 1914.

ordered them to raise a forced loan of $300,000 gold.[42]

Villa became extremely belligerent toward Americans after the United States recognized Carranza in the Fall of 1915. Bandits kidnapped an American employee of the Madera Lumber Company for a ransom of $10,000 gold, but when the Company sent the money to save the man's life, the Villistas intercepted the agents carrying the ransom and confiscated it, sealing the man's doom. Villistas also arrested James Brennerman, manager of the Santa Rosalia Smelter of the Guggenheim interests in Chihuahua. Two weeks later, Villa confiscated the whole plant and operated it for the rebel cause.[43]

As the year came to a close, Villa moved back into Chihuahua City once again and demanded more food and money from the foreign merchants. Some of the merchants refused his demands, so his men looted and destroyed many of the stores. From Chihuahua City, the Villistas moved back to Madera, where they held thirty American employees of the Madera Lumber Company until the Company paid the 500,000 peso forced loan Villa levied against them. After they left the lumber company, the Villistas

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[42]Cobb to Lansing, 28 July 1915 /15570; 1 August 1915 /15606; New York Times, 2 August 1915 and 4 August 1915.

[43]Cobb to Lansing, 12 September 1915 /16127; 13 September 1915 /16137; New York Times, 16 October 1915; and 27 October 1915.

looted and destroyed American homes throughout the town. Many Americans, forewarned of Villa's coming, left the town, narrowly missing being killed by Villa and his troops, who pursued them for miles before giving up the chase. The bitter Villa declared that he would destroy American property every chance he had and that no American was safe in territory he controlled.[44]

Problems for foreigners arose from other quarters after the Pershing Expedition entered Mexico in search of Villa. Anti-American sentiment in the cities presaged mob violence, directed mainly at American merchants. A mob in Torreón, yelling "Viva Villa", looted five stores, two railroad cars of sugar, one of corn and one of potatoes. Merchants quickly bought up all available corn and sold it at cost to alleviate the situation before more rioting occurred. Later, a mob, led by the mayor of Torreón, converged on the American consulate, destroyed all the furniture inside and extensively damaged the building. In a meeting in the town Plaza at the end of the rioting, the mayor urged the populace to run all Americans out of the country.[45]

Hungry citizens in Parral, Chihuahua looted

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[44] New York Times, 14 December 1915; 15 December 1915.

[45] G. H. Carnahan, President of the Mexican Continental Rubber Company, to Lansing, 7 April 1916 /17792; New York Times, 27 June 1916.

stores and warehouses in Parral and in other towns in the area. Carrancista forces, witnessed the mob action, but refused to intervene on behalf of the merchants.[46]

In Chihuahua City, anti-American rioters stoned foreign homes and businesses and in Piedras Negras, Coahuila (formerly Ciudad Profirio Diaz), rioters paraded through the streets carrying large placards which called upon all Mexicans to take up arms to defend their nation. In Saltillo, mobs of women from the lower classes stoned and sacked foreign stores that closed down because of the conditions.[47]

The Mexican press added fuel to the flame of unrest by publishing anti-American articles. One such article said that Mexicans in Texas had revolted and were burning bridges and defeating American forces. The article, though untrue, still managed to inspire many Mexicans. The situation, completely out of hand, forced many Americans to leave. But, some Americans feared for their safety in traveling, and remained in Mexico. This fear was well grounded by Mexican mobs who milled around

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[46] New York Times, 11 April 1916.

[47] Carothers to Lansing, 8 June 1916 /18347; Blocker to Lansing, 10 June 1916 /18374; and Silliman to Lansing, 12 June 1916 /18398.

[48] Cobb to Lansing, 10 June 1916 /18376; Blocker to Lansing, 16 June 1916 /18445.

railroad stations, chanting "Murder Americans."[48]

Villa curtailed his activities during most of the Punitive Expedition, but by November, 1916, he returned to action. After he took the area around Santa Rosalía, Chihuahua, a Villista officer, General Uribe, accused all foreigners of being enemies of Villa's cause and ordered them all shot. The Villistas executed a number of Chinese and Arab residents and one American, Doctor Fisher. Uribe gave the prisoners the choice of either having their ears severed from their head or execution. Many of the prisoners chose death rather than mutilation. After the executions, Uribe and his men looted the whole town.[49]

From Santa Rosalía, the Villistas turned to Parral where Villa turned extremely barbaric after taking the city. He issued a manifesto which stated that he planned to confiscate all American property and that he would kill any American or Mexican who worked for American companies. He also ordered the execution of a German merchant, Theodore Hoemuller, and his wife and baby. The German aroused Villa's anger because he displayed 18 pairs of ears and a letter

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[48]Cobb to Lansing, 10 June 1916 /18376; Blocker to Lansing 16 June 1916 /18445.

[49]New York Times, 5 November 1916.

containing insulting epithets addressed to Villa. The ears had been severed from Carranza soldiers and a Carrancista General placed them in Hoemuller's store window. Villa ordered the ears severed from the Carrancistas so he could recognize them the next time they met. The Villistas also castrated some of the Carrancista officers. Villa's acts of vicious brutality increased as he executed all the remaining foreigners in Parral and then murdered over 200 Chinese, many of whom had businesses between Parral and Jimenez.[50]

Early in December, 1916, the Villistas returned to Chihuahua City. Villa warned all the residents not to hide foreigners because he planned to kill them all, confiscate all their property, and give it to the Mexican people. Villistas looted foreigners' homes and businesses, carried off what they could and burned the rest. The bandits loaded two full trains with the loot they took from the stores in the city. Villa also demanded 1,000,000 pesos from the residents, which he received, or he would burn the town. Scores of Chinamen and Mexicans perished and the bodies were strewn

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[50]L. C. Neale, Attorney for the American Smelting and Refining Company, to Lansing, 17 November 1916 /19898; Blocker to Lansing, 18 November 1916 /19907; /19934; New York Times, 17 November 1916; 19 November 1916; and 20 November 1916.

all over the city.[51]

Villa turned from Chihuahua City back to Torreón and by the last part of December, he took the town. During his stay there, his men murdered sixty Chinese, five Arabs and eighty Carranza sympathizers. Many bodies remained in the street for over two weeks. Villa confiscated 150 cars of merchandise from merchants and industrial plants, and levied a $100,000 forced loan on the inhabitants. The Villistas left no hiding place unchecked in their search for Americans. British subjects saved their lives only by providing birth certificates that proved they were not Americans. Villa entered the town with 2,000 men, but left with somewhere between 5,000 to 10,000 as many former Villistas joined up with him again. Villa abandoned the 150 cars of merchandise he took when he ran out of coal to run his train a few miles North of the town.[52]

From 1917 to 1920, Villa seemed to enjoy complete freedom to come and go wherever he wanted. In fact, in 1918 he blew up the gas plant, engines and smelter of a $500,000 American power plant only to show the United States that Carranza could not guarantee his

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[51] New York Times, 2 December 1916; 8 December 1916; and 12 December 1916.

[52] Blocker to Lansing, 10 January 1917 /20248; 12 January 1917 /20260; and 17 January 1917 /20414.

earlier promises to protect foreigners and their property. Although his movement lost its momentum, Villa periodically would retake a town and put pressure on the businessmen and foreigners. Such was the case in March, 1919 when the Villistas entered Pearson, Chihuahua, killed three Chinamen, robbed several stores of over $30,000 worth of merchandise and robbed several Americans of their money, jewelry, clothing and horses. The amazing part of this episode lay in the fact that the Villistas did not kill the Americans. The vengeance of Villa had definitely mellowed toward Americans by this time. When Villa and his band raided Muzquiz, Coahuila, Villa kidnapped an American, Frederick G. Hugo, but released him without receiving any of the $10,000 ransom he asked for. Hugo became so fascinated with Villa that he invited him home for Christmas dinner.[53]

Villa finally made his peace with everyone in July, 1920, but just for old times' sake, on his way to his retirement plantation, he stopped off long enough in Sabinas, Coahuila to steal 80 horses from American ranches in the vicinity and to obtain a forced loan of 30,000 pesos to pay his troops.[54]

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[53]Fall Committee Report, 1:1096; Edward Dow to Lansing, 13 March 1919 /22560; New York Times, 16 December 1919; and 18 December 1919.

[54]Blocker to State Department, 31 July 1920 /24415.

The death and destruction of the Revolution was much more pronounced in the cities than in the rural areas. Victimized by Mexican city dwellers, rebels, bandits and Federales, foreigners were often trapped in the cities and forced to endure the hardships of hunger, pestilence and disease. Events such as the Pershing Expedition and the United States intervention at Veracruz brought more hardships as Mexicans took out their anti-American hatred on those living amongst them.

Pancho Villa viciously treated all foreigners during the Revolution, but to say that he alone bore the responsibility for the foreigners' plight is not true. Federales imposed many hardships on them, and Carranza, especially, made life miserable for foreigners in the city. He forced them to accept his worthless money, under threat of death, and levied forced loans against them so he could pay off his troops and aid the needy.

Bandits and Mexican mobs meant more danger to the foreigner. Living in the peace of the city while the Revolution fermented in the rural areas, the foreigner felt rather safe. But, as the Revolution intensified and as each contending faction swept through the cities seeking money. materials and revenge, the foreigner found himself living in a "deathtrap".

CHAPTER V

FOREIGNERS, THE LAW, AND TAXATION

Besides the physical depredations imposed upon them by Mexicans, foreigners in Mexico were also subjected to a number of special laws and decrees that placed added burdens on their shoulders. The rulings mostly affected the mining industry, but, foreign merchants, ranchers and railroadmen also suffered from the effects of the numerous laws and decrees promulgated by various individuals during the Revolution.

Reaction to foreign control of Mexican riches appeared very evident before the Revolution began. The Mine Law of 1910, effective as of January 1, 1910, resulted from anti-foreign agitation beginning as early as 1904. Articles 141 through 143 of the new law provided that prior permission must be given to any foreigner or joint foreign-Mexican enterprise before they could hold mining property in the border states. The days of the foreign miner moving to Mexico and staking out a claim, without consulting Mexican officials, had ceased.[1]

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[1] Bernstein, The Mexican Mining Industry 1890-1950, pp. 78-79.

With the removal of Díaz, Abraham González, Governor of Chihuahua, issued a decree designed to rescind some of the privileges that Díaz had given to foreign investors. The decree stated that foreign concessions which might have been regarded as monopolies would not be extended or renewed. González also ordered that every legal effort be made to restrict all foreign monopolies that currently existed in Chihuahua. The Governor further decreed that every property owner, Mexican and foreign alike, would pay taxes to rebel officials. The new decree forced foreigners who owned cattle ranches, mines or lumber companies to pay customs on exports as well. From that point on, foreign capital would have to compete with Mexican capital in quest of government concessions. Since American, German and British interests controlled most of the properties, the business scene took on a new look.[2]

Mining companies in Chihuahua and Coahuila faced more trouble after González' decree. As the Orozco rebellion unfolded, Orozco's forces collected the mine taxes that the miners normally paid to the Federal Government. Under Mexican law, if the miners were one month late on their taxes, they paid a fine of 50 per

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[2]New York Times, 16 June 1911; Beezley, Insurgent Governor, p. 62.

cent of the tax. Being two months late cost a 100 per cent fine and after three months tardiness, the title to their property reverted back to the Government. The American Department of State advised the miners to pay the taxes to Orozco and to obtain a receipt for them. The Department then sent word to Madero that they regarded the payment of taxes to Orozco as completely fulfilling all tax obligations. Madero agreed to this policy, alleviating the miners' predicament for the time being.

The problem of double taxation arose again during Huerta's reign. The Constitutionalists forced the miners to pay taxes to them because Carranza refused to recognize receipts of taxes paid to the Federal Government. Once again, the miners did not know to whom they should pay taxes. Many miners, more fearful of the Huerta regime than they were of Madero's, paid double taxes to protect their property titles. They paid the taxes even though the United States Department advised Huerta that the miners' tax obligation had been fulfilled when they paid their taxes to the Constitutionalists.[3]

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[3]H. L. Wilson to Knox, 21 August 1912, 812.512/5; J. W. Austin, Mine owner, to Bryan, 7 July 1913, 812.512/51; J. B. Moore, for Bryan, to Austin, 18 July 1913, 812.512/51; Memorandum from U.S. Department of State, 30 August 1913, 812.512/83½; and Bernstein, The Mexican Mining Industry 1890-1950, p. 106.

The chaotic conditions of the Constitutionalist rebellion forced the closure of many foreign mining concerns and Carranza exacerbated the foreigners' plight when he decreed in April, 1913, that it constituted a felony for foreigners to close down their mines or mills. Carranza's assertion revolved around the fact that the closures definitely demonstrated the miners' sympathy for the Huerta Government. The miners then, reluctantly continued operations, even in the face of rebel and bandit incursions. Protection from the dissident elements fell upon the mine owners themselves, but when Carranza decreed that all foreigners possessing firearms after May 21, 1913, would receive a ten year jail sentence, the miners lost their only means of protection.[4]

Carranza did not limit his taxes to just mining concerns. In February, 1914, he raised the cattle export taxes in areas controlled by the Constitutionalists. Ranchers paid an additional eight pesos per head to export calves, twelve pesos for cattle one (1) year old, sixteen pesos for steers two (2) years and over, and an additional twenty pesos for each bull and cow over two (2) years old. Carranza used the extra money

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[4]New York Times, 26 April 1913; Ellsworth to Bryan, 29 May 1913 /7646.

brought in by the tax increase to purchase more arms and ammunition.[5]

In May, 1914, Carranza took a firmer stand against the foreign mine owners around Parral, Chihuahua who had shut down operations. A new decree stated that unless the owners return to the district within fifteen days and resume operations of their properties, their mines would be confiscated and operated for the benefit of the Mexican people. By August, Carranza had confiscated a number of unworked properties throughout Chihuahua, and those that he did not confiscate had their taxes doubled. Also in August, with Huerta deposed, Carranza voided all mine titles that had been registered by Huerta. Those who had received titles from Huerta had to reapply for new titles from the Carranza Government. Carranza also stated that Huerta's tax laws would be replaced by a forthcoming new tax program.[6]

When Villa began his struggle against Carranza, both sides needed revenue to sustain their armies. To the mine owners fell most of the financial burden of keeping Carranza's forces in the field since his new

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[5]611.127/32, Taken from the El Paso Times, 15 February 1914.

[6]New York Times, 15 May 1914; 7 August 1914; and Bernstein, The Mexican Mining Industry 1890-1950, p. 107.

mining law doubled the export taxes on ores and metals. He placed the taxes on an absolute rather than on an ad valorem basis and if the miners missed three installments, he automatically concelled the titles to their mines. The tax intended not only to collect more money, but also to force production by making idleness too costly because taxes had to be paid whether the mine operated or not.[7]

Carranza kept the pressure on the mine owners into 1916, and on May 1, he dealt them a crusing blow with a new massive tax program. The new program levied taxes on the basis of the number of claims that one had, and since most foreigners, especially Americans, had over 2,500 acres of claims, the program proved devastating. On gold and silver mines the tax was $6 a year for each claim if one had 1 to 10 claims, $12 a year if one had 11 to 50 claims, $18 a year for 51 to 100 claims and $24 a year if one had 101 claims or more. For mines bearing non-precious metals, the tax called for $6 a year for each claim if one had 1 to 50 claims, $12 a year for 51 to 200 claims, $18 a year for 201 to 500 claims and $24 a year on each claim if one had 501 claims or more. The new law also imposed a ten per cent

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[7]Letcher to Bryan, 3 March 1915, 812.512/574; Bernstein, The Mexican Mining Industry 1890-1950, pp. 109-110.

export tax ad valorem on gold and silver and a five per cent export tax on other minerals. Carranza designed his program to force people to stake out a small number of claims that would be worked, and to discourage the holding of large tracts of land, held only for speculation purposes.[8]

Carranza, in 1916, also ordered all foreign factories to quadruple the wages they paid their Mexican laborers and to pay them three months wages if they closed down, but clearly, his attention focused mainly on the mine owners. A serious crises confronted the owners during the Pershing Expedition when Carranza, angry with the miners because of their support of the expedition, imposed additional laws on them. Under the new laws, foreigners intent on securing any concessions in Mexico had to renounce, in advance, appeals to their own governments, under penalty of forfeiture. Foreigners, once they received a concession, had to operate it continuously for the concession to remain in force. Foreign owners also could not apply for a concession unless they "nationalized" themselves and held their property through a Mexican subsidiary and filed an affadavit to

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[8] New York Times, 2 May 1916; 14 September 1916; and Bernstein, The Mexican Mining Industry 1890-1950, pp. 109-110.

that effect.[9]

The new laws soon became part of the Mexican Constitution of 1917, a revolutionary document that had a tremendous impact on all foreign investors in Mexico. Carranza, in September 1916, called for a constitutional convention to bring the Mexican Constitution up to date and to embody the goals that the Revolution had achieved. Parts of the Constitution, written in December, 1916, and put into effect on February 5, 1917, had promised to "give Mexico back to the Mexicans". Various sections, chiefly Articles 27, 28, 33 and 123, severely limited the activities of foreigners in Mexico.

The first of these, Article 27, strove to remove one of the Díaz acts which allowed foreigners to acquire property because it declared the State to be the original and sole owner of all lands, waters, and subsoil wealth. The laws put forth by Carranza during the Summer of 1916, relating to who could receive concessions, also found their way into this Article. Furthermore, Article 27 prohibited foreigners from owning land within thirty miles of the Mexican coastline and sixty miles of the border. The Mexican Government also had the right to expropriate foreign owned properties, but they had to

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[9]Gerhardt, England and The Mexican Revolution 1910-1920, p. 423; Bernstein, The Mexican Mining Industry 1890-1950, pp. 111-113.

pay appropriate compensation for them.[10]

Article 28 of the Constitution ended all the specific exemptions from taxation which the Díaz Administration had so generously bestowed upon some foreigners and foreign owned companies.[11]

According to Article 33, foreigners possessed rights like Mexican citizens. But, the President had the right to deport any foreigner without benefit of a prior trial or judgement if the foreigner proved to be troublesome. This Article also prohibited foreigners from interfering in Mexican political affairs.[12]

The last of the four articles, number 123, struck at the labor problem. Mexican laborers received an eight-hour work day, a six-day week, minimum wage, equal pay for equal work and the right to organize unions and to strike.[13]

Carranza considered many of the provisions of the Constitution to be too radical, far exceeding his proposals, so he ignored most of it. However, the Constitution gradually became a reality to Mexicans and

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[10]Atkin, Revolution!, pp. 298-299.

[11]Gerhardt, England and The Mexican Revolution 1910-1920, p. 446.

[12]New York Times, 3 February 1917.

[13]Atkin, Revolution!, p. 299.

with its implementation, the foreigner became constitutionally controlled and his favored position disappeared. To live, work and own property in Mexico, he had to become "Mexicanized".[14]

After the Constitution went into effect, mine owners found no immediate relief from Carranza. On February, 1917, Carranza ordered all non-operating mines that had not filed acceptable reasons for their dormancy to be confiscated by the Mexican Government. Mexican cities added more tax burdens to the miners when in April they demanded payment of local taxes. These new taxes, coupled with the Federal Government's doubling of the stamp tax on export minerals in December, 1917, created even more hardships. Fortunately, by mid 1918, Carranza began to mellow as he permitted all mining machinery and parts to be admitted duty free to Mexico. The New Tax Law of 1918, lowered the rates set in 1916 and decreased the penalties for non-working mines. Carranza also eased the restrictions on those foreigners seeking new concessions. Furthermore, in 1919, he decreased taxes on precious metals and made concessions to those delinquent in their tax payments. To encourage resumption of operations, miners could pay all their

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[14]Gerhardt, England and The Mexican Revolution 1910-1920, pp. 437-438; New York Times, 3 February 1917.

taxes for the years preceding 1919, installment for installment with their current taxes and without penalty. Outside of Carranza's refusal to return any of the property confiscated from mine owners who resided abroad during 1919, and therefore had no legal rights in Mexico, Carranza finally began to "ease off" the foreign mine owner.[15]

The foreign investor in Mexico before the Revolution had numerous advantages over the native Mexicans, but as the struggle progressed, he eventually saw those advantages fade away. As one warring faction and then another controlled an area, owners either had to pay taxes to both sides or face having their property confiscated. The threat of confiscation also hovered over their heads if they did not continue operating their concerns, even though war conditions made it economically unfeasible and extremely dangerous to do so. Delegated to the role of financing much of the long struggle, the foreign investor, paying out increased taxes and wages and underwriting other labor benefits, never again

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[15] New York Times, 21 February 1917; 15 December 1917; Cobb to Lansing, 17 April 1917, 812.512/1659; Gerhardt, England and The Mexican Revolution 1910-1920, p. 499; and Bernstein, The Mexican Mining Industry 1890-1950, pp. 120-122.

reaped the huge profits he enjoyed during the Porfiriato. With the promulgation of the Constitution of 1917, the foreigner's "heyday" came to an end.

CHAPTER VI

CONCLUSION

When Porfirio Díaz sent out the call for foreign capital, Mexico became flooded with investors, eager to take advantage of Díaz' generous concessions. While the foreigner and the Díaz administration grew wealthy as Mexico's economy flourished, the Mexican masses still floundered in poverty. Small wonder that as the Díaz administration pampered and protected the foreigner, yet repressed the masses, anti-foreign hatred grew to enormous proportions in Mexico. When the Díaz regime fell in 1910, this bitter hatred burst forth in brutal fashion from all quarters of Mexico.

In many ways, those foreigners who remained in Mexico during the Revolution contributed something to its continuance. Robbed constantly by all sides, the only lucky foreigner was the one who did not meet death. Rebels, such as Pancho Villa, felt that the foreigners' wealth came from the people so when the people needed that wealth, they should be able to take it back. This type of attitude must have influenced Woodrow Wilson who looked upon Villa as being similar to Robin Hood, who

also robbed the rich to pay the poor.[1]

Revolutionaries robbed and plundered at will during the Revolution in order to maintain their struggle. Nothing seemed to be too large or useless to steal. Anyone's livestock, clothing, blankets, arms or money became fair game to the rebels. Foreigners, especially those with some wealth, were favorite targets for the rebels who kidnapped them for ransom.

Mines, ranches, and railroads in the unprotected rural areas became easy prey for the roaming bands of rebels and bandits. Although the rural areas had their problems, the vicious brutality of the Revolution was best exemplified in the cities.

City residents suffered unbelievable depredations as the cities, taken by one group and then retaken by another, wallowed in a state of continuous chaos. Food always remained in short supply and the money available to buy that food, often became of no value as contending forces refused to accept the opposition's currency.[2] Foreign merchants, consistantly blamed for high food prices, faced the vengeance of hungry mobs, often

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[1]Guzmán, Memoirs of Pancho Villa, p. 463; Gerhardt, England and The Mexican Revolution 1910-1920, p. 320.

[2]Jamieson, Tulitas of Torreón, p. 134; Gerhardt, England and The Mexican Revolution 1910-1920, p. 120.

aroused to a frenzy by the presence of American troops on Mexican soil, or by blatant anti-foreign editorials in the Mexican press.

The cities also witnessed the most devastating destruction of foreign property and lives. Bloody massacres of Chinese and Spanish merchants lent an air of horror to the long and bitter struggle. Bodies, sometimes horribly mangled from torture tactics, lined the streets of Torreón and Parral on more than one occasion. Pestilence, death and disease walked the streets of every Mexican city and town during the turmoil.

The fury of the Revolution devastated Mexico, but out of the ruins emerged a sense of Mexican Nationalism so intense that a new nation arose, a nation of Mexicans. The foreigner, for so long a dominating factor in Mexico, would never become a singularly dominant factor again.

The plight of the foreigner can best be summed up by the use of some revealing statistics. When Díaz left office approximately 31,707 Americans lived in Mexico and by September, 1919, this figure had decreased to just 8,882. It was estimated that 365 American civilians lost their lives during the Revolution, yet if one includes the scores of other foreigners and American military men who also died, and takes into

account the fact that American property losses alone totaled over $500,000,000, the impact that the Revolution had on foreigners becomes quite significant.[3] Many of the foreign fatalities occurred in Chihuahua and Coahuila because in these two states the struggle began and continuously intensified through the years.

Perhaps the only consolation that the harassed foreigner might have received from his suffering during the Revolution was the fact that Pancho Villa, perhaps the cruelest rebel of all, had faced similar troubles. For, when Villa retired to his estate at Canutillo, Durango, he appealed to President Obregón to protect him from marauding bandits who had robbed him of 200 head of horses.[4] Perhaps this was a fitting reward to one of the greatest bandits of them all.

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[3]Fall Committee Report, 1:863-865; 2:3399.

[4]New York Times, 19 December 1920.

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